FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Asia

FBIS-EAS-96-126
Friday
28 June 1996

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FBIS-EAS-96-126 *28 June 1996*

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Japan

Japan: Agreement on Mutual Security Strategy Reached With U.S.

OW2806121196 Tokyo KYODO in English GMT 28 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan and the United States agreed Friday [28 June] on a three-phase approach to specify joint actions to be taken under fresh bilateral defense cooperation guidelines, Japanese officials said.

The accord came in a meeting of foreign and defense vice ministerial officials from Japan and the U.S., the officials told reporters.

The new strategy will cover prevention of conflicts, joint response to armed attacks on Japan and collaboration in times of contingencies in areas surrounding Japan, the officials said.

Tokyo and Washington agreed in a joint security declaration released in April to review the current guidelines, established in 1978, which lay down rules of joint response to direct invasion of Japan.

Earlier in the day, Slocombe and Japanese Defense Agency Director Gideo Usui agreed that Tokyo and Washington should make substantial progress on the review by September, Japanese officials said.

On the bases issue, Slocombe expressed a negative view on the possibility of sharply scaling down plans for a U.S. military heliport to be built in Okinawa prefecture to offset the loss of a marine base in the region.

The U.S. official told Usui that it is vital not to undermine the military functions now performed by Futenma Air Station in Ginowan, Okinawa prefecture, which Washington agreed in April to return to local landowners in five to seven years.

He made the remarks in response to a request from Usui that Washington study the possibility of scaling down the planned alternative heliport to be constructed somewhere in the prefecture.

Other Futenma base functions are to be relocated to Kadena Air Base, also in Okinawa prefecture, and the Iwakuni Marine Base in Yamaguchi prefecture.

Residents near possible sites for the heliport are objecting to relocating the facility to their areas.

Usui also briefed Slocombe on the June 21 approval of the Okinawa prefectural assembly for a referendum to ask local residents whether they support a reduction in local U.S. bases.

Slocombe arrived in Tokyo earlier in the day for a two-day visit mainly to discuss the guidelines review.

Japan: Little Progress Made in Aviation Talks With U.S.

OW2806041096 Tokyo KYODO in English 0336 GMT 28 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan and the United States made little progress in discussions in Washington on rights for Japanese airlines under the existing civil aviation treaty between the two countries, Japanese Transport Ministry officials said Friday [28 June].

In the two-day negotiations, opened Thursday, the U.S. side pledged to study a Japanese request for equal rights for Japanese airlines, the officials said.

The U.S. delegation called for discussions on its priority issues, including Japan's approval of "beyond rights" for U.S. airlines to fly to third destinations after serving Japan, they said.

Second-day discussions will focus on a U.S. request for an extension of Japan's provisional approval for increased flights operated by United Airlines between Tokyo and Los Angeles and between Sendai and Honolulu.

The provisional step is to expire July 8, they said.

Japan wants All Nippon Airways, the nation's second largest airline, to be granted the same rights as Japan Airlines, the no. 1 Japanese airline, and two U.S. carriers under the current aviation pact, which was first agreed upon in 1952.

Japan: Hashimoto, Santer Agree EU Should Join Bilateral Chip Talks

OW2706135596 Tokyo KYODO in English 1334 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — Japanese Prime Minister Ryutaro Hashimoto and European Commission President Jacques Santer agreed Thursday [27 June] that the European Union (EU) should have a role in the Japan-U.S. semiconductor trade dispute, Japanese officials said.

In a meeting shortly before the beginning of the three-day summit of the Group of Seven (G-7) industrial nations in the French city of Lyons, Hashimoto told Santer that Japan has no intention of excluding the EU and seeking a solution exclusively between Tokyo and Washington.

The Japanese prime minister also called on the EU to abolish tariffs on semiconductors, touching on Japan's

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proposal of taking a global approach for microchip trade after the existing Japan-U.S. bilateral accord expires at the end of July.

Santer, a Luxembourg national, expressed hope that Japan will include Europe in the discussion to reject U.S. calls to negotiate the semiconductor row exclusively with Japan.

Earlier this month, Japan proposed a Japan-U.S.-EU trilateral forum to discuss the role of government in future semiconductor trade, and various other issues including tariffs, barriers, regulations and copyright policies, and the forum would gradually expand to a globa' scale.

By proposing the idea, Tokyo aimed to terminate the 1991 government-level trade accord with the United States under which Japan is required to allow foreign-made semiconductors a 20 percent market share.

Japan's stance is that foreign microchips have an almost 30 percent share of the Japanese market now and the bilateral accord is no longer necessary.

The U.S., however, disagreed with the global approach at subcabinet-level talks held in Washington last week, and continued calling for an extension of the agreement, according to Japanese officials.

Turning to the Japan-U.S. insurance trade row, Hashimoto vowed to promote deregulation and provide related information to the EU.

Santer asked Hashimoto to give information commensurate with that given to the U.S.

Tokyo, Washington Make 'Compromises' in Chip, Insurance Dispute

OW2706232696 Tokyo KYODO in English 2206 GMT 27 Jun 96

[By Yoichi Kosukegawa]

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — Japanese Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton agreed Thursday [27 June] to settle semiconductor and insurance disputes by the end of July, Japanese and U.S. officials said.

At their meeting held just before the three-day Group of Seven (G-7) annual economic summit here, Clinton "expressed his concern that there has been very little progress," White House National Economic Adviser Laura Tyson told reporters, referring to three disputed trade areas of semiconductor, insurance and aviation.

Of the three sectors, the two leaders committed to resolve semiconductor and insurance issues by July 31, Tyson said.

A senior Japanese official also said, "Prime Minister Hashimoto and President Clinton agreed to settle the semiconductor and insurance disputes by making compromises."

Asked about how the United States would respond if the two countries fail to settle the issues by the deadline, White House spokesman Mike McCurry indicated that Washington would resort to Section 301 under the 1974 U.S. Trade Act.

The tough trade-law provision eventually authorizes Washington to impose trade sanctions against countries with what it sees as unfair trading practices.

"We take our U.S. Trade Law seriously and have to enforce our law," McCurry said.

A senior Foreign Ministry official, however, said the Hashimoto-Clinton talks were not held in a tense mood. They met in a very friendly atmosphere because they had held a Japan-U.S. summit meeting twice before, the official said.

U.S. Assistant Secretary of State Winston Lord said the talks were "very successful" as they developed the personal relationship between "Bill" and "Ryu."

According to Japanese and U.S. officials, the two leaders had a tete-a-tete for half an hour to discuss trade issues.

Both leaders then exchanged views on international affairs and other issues for another half an hour, accompanied by delegates to the Lyons summit, the officials said.

Among the Japanese delegation were Finance Minister Wataru Kubo and International Trade and Industry Minister Shumpei Tsukahara, while the U.S. side included Treasury Secretary Robert Rubin and acting U.S. Trade Representative Charlene Barshefsky.

Japan and the U.S. have been at loggerheads over whether to renew the existing bilateral semiconductor agreement, which expires July 31.

The U.S. has been seeking to renew the five-year-old accord that guarantees a certain share of the Japanese market to foreign chips, while Japan wants to eliminate government involvement in semiconductor trade.

The two countries remained apart over measures taken by Japan to liberalize its insurance market.

At a meeting held ahead of the Hashimoto-Clinton talks, Kubo and Rubin agreed to settle the insurance trade dispute by the end of July. Hashimoto and Clinton reaffirmed the deadline at their talks.

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The two countries recently agreed to restart negotiations on the passenger sector of the bilateral aviation accord after a three-year hiatus.

Hashimoto and Clinton are expected to watch developments in the aviation sector for a while, Japanese sources said.

At the plenary session, Hashimoto voiced his support for the 40-point proposals to be made by the U.S. at the Lyons summit to combat terrorism, Japanese officials said.

Clinton expressed his willingness to make antiterrorism one of major topics at the summit, following a truck bomb attack in Saudi Arabia that killed 19 U.S. soldiers and injured hundreds of others.

Hashimoto and Clinton agreed that they will urge their G-7 European partners to cooperate more with the Korean Peninsula Energy Development Organization (KEDO) to help keep Pyongyang's possible bid to develop nuclear weapons in check, the officials said.

Kedo, a U.S.-led consortium created to supply North Korea with two modern nuclear reactors, now faces a lack of operational funds.

According to the Japanese officials, Hashimoto stressed the need to push China's bid to join the World Trade Organization (WTO).

While acknowledging the importance of China's entry into the WTO, however, Clinton said it is necessary for China to comply with WTO rules, they said.

The two leaders also agreed on the need for the G-7 countries to continue support for Russia's economic and political reforms, they said.

Tokyo, Washington Agree To Hold Ministerial Chip Talks in Jul

OW2806002496 Tokyo KYODO in English 2303 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 28 KYODO — Japan and the United States agreed Thursday [27 June] to hold a ministerial meeting in July as part of last-ditch efforts to resolve a bilateral dispute over semiconductor trade, Japanese officials said. Japanese International Trade and Industry Minister Shumpei Tsukahara and acting U.S. Trade Representative Charlene Barshefsky agreed on the talks in a meeting in the wings of the Group of Seven (G-7) summit here, the officials said.

While reaffirming the need to settle the row by the end of July, the two agreed to meet again at a trade ministers' meeting of the Asia-Pacific Economic Cooperation (APEC) forum in New Zealand on July 15-16.

Tsukahara and Barshefsky also shared the view that both Japan and the U.S. will continue talks with the European Union on semiconductors in parallel with their bilateral negotiations.

The point of issue is whether to extend a Japan-U.S. semiconductor trade agreement due to expire July 31 so as to have the governments of the two nations continue to play a role in the Japanese microchip market after the expiry of the accord.

The current pact in effect reserves at least 20 percent of the Japanese market for foreign semiconductors. Foreign share hit 31.0 percent in the first quarter of this year.

While the U.S. maintains room should be left for government commitment to improving foreign access to the Japanese microchip market under a new bilateral arrangement, Japan proposes setting up a global framework to discuss semiconductor and other trade-related issues.

Japan: MITI Official Sees No Major Concessions in Chip Talks

OW2806052396 Tokyo KYODO in English 0455 GMT 28 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan will maintain its stance against a governmental accord in the semiconductor trade talks with the United States, a senior official of the Ministry of International Trade and Industry (MITI) said Friday [28 June].

The official thus denied speculation that a political settlement will be made in the computer chip trade row.

He was commenting on overnight reports from Lyons, France, that Japanese Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton agreed in their bilateral meeting to settle the chip dispute by the end of July.

The two leaders discussed the issue ahead of the Group of Seven (G-7) annual summit meeting there.

The official said it is unthinkable that Japan would make a big concession in the talks, adding that the negotiations will climax at a ministerial meeting between Japanese trade minister Shumpei Tsukahara and acting U.S. Trade Representative [USTR] Charlene Barshefsky. The meeting is expected in mid-July.

MITI and the USTR will step up the working-level efforts toward a successful settlement, the MITI official said.

In Washington, a spokesman for the U.S. semiconductor industry said the industry welcomed the announcement by Hashimoto and Clinton.

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Sources close to U.S. negotiators said the USTR and the U.S. chip industry are discussing negotiation strategies to settle the issue by the deadline.

The two countries have been at odds over whether to extend a Japan-U.S. semiconductor trade accord, signed in 1991 and due to expire July 31, so as to have the governments of the two nations continue to play a role in the Japanese microchip market.

The current pact requires at least 20 percent of foreign semiconductors in the Japanese market. Foreign share hit 31.0 percent in the first quarter of this year.

While the U.S. maintains that a new governmental accord is necessary under which the 30 percent level is effectively set as a new requirement, Japan refuses a bilateral scheme and instead proposes to establish a multilateral framework for chip trade.

Japan: Kubo Promises U.S. Secretary Rubin Economic 'Pump Priming'

OW2706122096 Tokyo KYODO in English 1156 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — Japanese Finance Minister Wataru Kubo promised U.S. Treasury Secretary Robert Rubin on Thursday [27 June] that Japan will continue to take pump-priming measures to keep its economy on a recovery track, a U.S. Treasury Department spokesman said.

"Minister Kubo stated that the Japanese Government would carefully monitor the Japanese economic situation and continue to direct policies primarily toward ensuring strong domestic demand-led growth," the spokesman said.

Speaking to reporters after a one-hour meeting with Rubin here, Kubo said, "the U.S. side told me that it's important for Japan to keep the current economic recovery from slowing down."

Kubo said he told Rubin that Japan posted a strong annualized 12.7 percent real economic growth in the first quarter of this year and that its economy is recovering "led by the private sector."

Kubo said he did not discuss Japan's interest rates with Rubin.

On the currency market, Kubo said he and Rubin agreed to continue cooperation for stable exchange rates.

Rubin and Kubo agreed to settle the deadlocked Japan-U.S. insurance talks by July 31, according to the U.S. spokesman.

Kubo and Rubin are here with leaders of the Group of Seven (G-7) major industrial nations, who will start their three-day annual summit meeting later in the day.

Japan: Kubo to Rubin: Interest Rates To Remain Low

OW2706145896 Tokyo KYODO in English 1426 GMT 27 Jun 96

[By Yoichi Kosukegawa]

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — Japanese Finance Minister Wataru Kubo indicated Thursday to U.S. Treasury Secretary Robert Rubin that Japan will maintain its policy of low interest rates to ensure its economic recovery.

At a meeting with Rubin before the annual economic summit of the Group of Seven (G-7) industrialized nations, Kubo said, "Japan's government will carefully monitor the Japanese economic situation and continue to direct policies primarily toward ensuring strong domestic demand-led growth," as quoted by a U.S. Treasury Department spokesman.

Speaking to reporters after the hourlong meeting with Rubin in Lyons in southeastern France, Kubo said, "the U.S. side told me that it's important for Japan to keep the current economic recovery from slowing down."

Kubo said he told Rubin that Japan is now staging an economic recovery, citing a recent report which showed Japan's real gross domestic product (GDP) grew at an annualized rate of 12.7 percent in the first quarter of this year.

According to Japanese and U.S. officials, Kubo and Rubin agreed on the "importance of appropriate deficit reduction and fiscal consolidation" in Japan and the United States.

By some measures, Japan's fiscal situation is the worst among the G-7 countries.

Japan's outstanding balance of government bonds is predicted to reach as much as 240 trillion yen by the end of next March, equivalent to nearly 50 percent of the nation's GDP.

Since it would be difficult for Japan to give the economy another shot in the arm due to such strained fiscal conditions, Kubo's assurance of Japan's efforts to ensure its recovery mean Japan essentially made a commitment to maintaining its easy monetary policy for a while, diplomatic sources said.

Since September last year, Japan has been leaving the official discount rate, the interest rate charged by

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its central bank on commercial loans, unchanged at a historic low of 0.5 percent.

According to Japanese and U.S. officials, Kubo and Rubin noted "some modest progress" in bilateral insurance talks, and instructed their negotiators to make every effort to reach agreement by July 31, they said.

Japan and the United States failed to settle their insurance dispute by the originally targeted date of June 1. Since then, the two countries have been holding several rounds of talks to seek a compromise on the dispute over measures taken by Japan to liberalize its insurance market.

The Japanese and U.S. officials also said Kubo and Rubin reaffirmed G-7 cooperation in exchange markets.

At the presummit meeting, Kubo and Rubin also agreed on the "importance of reaching an agreement at the summit on the multilateral debt initiative, including the mobilization of the IMF's gold," the officials said.

Japan previously showed a negative stance on the use of gold held by the International Monetary Fund, insisting that the step will weaken the institution's financial position.

Debt relief for poor countries is one of the major topics at the Lyons summit of Britain, Canada, France, Germany, Italy, Japan and the United States.

The G-7 countries are now seeking to help reduce debts owed by a limited number of poor countries to multilateral lending institutions, such as the IMF and the World Bank.

Japan: Trilateral Accord Reached To Stem Market Manipulation

OW2706144196 Tokyo KYODO in English 1419 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — Japan, Britain and the United States agreed Thursday [27 June] to communicate with each other when they smell market manipulation at commodity exchanges under their jurisdiction, Japanese Government officials said.

The accord was struck when British and U.S. financial regulators met with officials of the Ministry of International Trade and Industry (MITI) as part of their investigation into a huge copper trading loss incurred by Sumitomo Corp.

Sumitomo says it lost $1.8 billion over the last 10 years in unauthorized trading conducted by former chief copper trader Yasuo Hamanaka.

Commodity market sources suspect Hamanaka was manipulating prices at the London Metal Exchange and the New York Commodity Exchange, where most of his trades were conducted.

Japan proposed the partnership mechanism, the first of its kind among the three countries, "just in case" market manipulation takes place, while stressing commodity exchanges in the countries have measures to prevent it, a Japanese official said.

The ministry began studying the system after the Sumitomo case surfaced, another official said.

Neither the Japanese officials nor the British and U.S. investigators would comment on the specifics of what they discussed about the scandal involving the giant trading house.

MITI, which regulates trading house operations, has said no Japanese law authorizes it to take any action with respect to trades in copper, which is not listed on the Japanese commodity exchange.

The British and U.S. authorities understood the point, a MITI official said.

Japan: Foreign Minister Assesses Tokyo G-7 Summit Position

OW2706134896 Tokyo NHK General Television Network in Japanese 1215 GMT 27 Jun 96

[Interview with Foreign Minister Yukihiko Ikeda by NHK newscaster Miyuki Morita; Ikeda in Lyons, France; Morita in NHK Tokyo studio, interview via satellite hookup; on 27 June; from "NHK News 7" program — recorded]

[FBIS Translated Text] [Morita] Globalization of the economy will be one of the major themes of the summit. Industrialized nations are faced with increasing unemployment, and there is also the issue of aid to the developing nations. What proposals will Japan make in regards to these issues?

[Ikeda] Yes, globalization of the economy is accompanied by many various problems. When I arrived here in France, the unemployment rate is said to have exceeded 12 percent, creating an issue here. There are, therefore, negative aspects of globalization, but as a whole, global business activities going beyond time, distance, and border of enterprises in economic transactions has a positive effect in creating new jobs. Therefore, Japan wishes to emphasize positive aspects of globalization as much as possible and promote discussions in terms of how to obtain positive effects. For instance, Japan intends to proceed with further deregulation efforts.

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[Morita] In the area of politics, it is said that the issues of Russia, the Middle East, and Bosnia will be the major themes. With Japan as the only member from Asia, what appeals will Japan try to make in regards to the Korean peninsula and the situation in China?

[Ikeda] Japan is very concerned about such issues as the Middle East and Bosnia and is determined to fulfill any necessary roles. On the other hand, we want European nations and the United States to know what is happening to Asia and take interest in them as part of their own problems. Therefore, I believe it is our responsibility to correctly transmit our understanding of the Asian situations to the West so that the Western countries can take interest.

[Morita] Mr. Foreign Minister, prior to the summit meeting, you represented Japan at negotiations at Geneva on the Comprehensive Test Ban Treaty [CTBT]. In regards to arms control and disarmament, how will Japan try to address these issues at the summit.

[Ikeda] Whatever effort it may take, I believe it is now the time for us to conclude the treaty. I have been calling for each participating country's maximum flexibility in dealing with this issue. I believe the CTBT should be discussed also in the summit and create momentum for successful conclusion of the CTBT. In the issue of disarmament, the issue of land mines must be addressed. The total ban of the use of land mines in the future has been discussed in each country, and Japan intends to actively express its views and address intention to contribute in the such areas as removal technology and rehabilitation of land mine victims.

[Morita] Just before the summit, there was a bombing in a U.S. military facility in Saudi Arabia, and the U.S. Government said that it will take up the issue of anti-terrorism measures at the summit as an important theme. How will Japan respond to this issue?

[Ikeda] Even without this deadly incident, the leaders of the G-7 are thoroughly opposed to any actions of terrorism, and we will discuss in which way we can totally eradicate terrorism. Work has been under way to prepare a political statement indicating G-7's clear position. Now that terrorist attack did take place, I think stronger wording may be used to make even more clear the determination to contain terrorism.

[Morita] Thank you very much.

[Ikeda] You are welcome.

Japan: 'About-Face' on Use of IMF Gold for Debt Relief Reported

OW2706133096 Tokyo KYODO in English 1301 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — Japan, in an about-face, showed a positive stance Thursday [27 June] on the use of gold held by the International Monetary Fund (IMF) to help ease the burden of heavily indebted poor countries.

At a meeting held before the Group of Seven (G-7) industrialized countries, Japanese Finance Minister Wataru Kubo and U.S. Treasury Secretary Robert Rubin agreed on the "importance of reaching an agreement at the summit on the multilateral debt initiative, including the mobilization of the IMF's gold," Japanese and U.S. officials said.

Japan previously showed a negative stance on the use of the IMF gold, insisting that the step will weaken the institution's financial position.

Debt relief for poor countries is one of the major topics at the Lyons summit of Britain, Canada, France, Germany, Italy, Japan and the United States.

The G-7 countries are now seeking to help reduce debts owed by a limited number of poor countries to multilateral lending institutions, such as the IMF and the World Bank.

Japan: Ikeda Says Positive Globalization Aspects Focus of G-7 Summit

OW2706114296 Tokyo KYODO in English 1121 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — Japan will emphasize the positive aspects of the globalization of economies at this year's summit of the Group of Seven (G-7) leading industrialized nations in the French city of Lyons, Foreign Minister Yukihiko Ikeda said Thursday [27 June].

In a televised interview with Japan Broadcasting Corp. (NHK), Ikeda said Prime Minister Ryutaro Hashimoto will stress in Lyons the need for deregulation to maximize the benefits of globalization of economic activities.

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States. The three-day gathering will kick off later Thursday.

On political issues, Ikeda said Japan will urge other G-7 nations to share its interest in Asian affairs, just as it takes an interest in matters of European and U.S. concern.

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He also predicted the chairman's statement on political issues will clearly demonstrate determination to fight terrorism in the wake of Tuesday's explosion at a U.S. military facility in Saudi Arabia.

The blast killed 19 Americans and injured more than 270 others.

Japan: KYODO Reports G-7 Summit Begins With Working Dinner

OW2706121196 Tokyo KYODO in English 1117 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — The Group of Seven (G-7) industrialized countries will kick off their three-day annual summit in Lyons, France, on Thursday [27 June] evening with a working dinner.

Discussions over the dinner were originally expected to focus on G-7 efforts to help integrate Russia and China into the international community, Japanese officials said.

However, following a bombing in Saudi Arabia which killed 19 Americans and injured hundreds of others, measures to combat terrorism will emerge as a major topic at the evening meeting, the officials said.

U.S. President Bill Clinton has expressed his willingness to urge other G-7 partners to take up antiterrorism measures as the top agenda at the Lyons summit.

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

The Lyons summit has also been overshadowed by Russian President Boris Yeltsin's decision to cancel a trip to meet the G-7 leaders.

French president Jacques Chirac, host of the summit, apparently hoped to show up at the Lyons summit and provide Russia wider access to the G-7 summit in a bid to make a clear message in support of Yeltsin's reform efforts.

Although Russia is not officially a member of the G-7, it has been invited to join political discussions that have been held following the economic session for the last several years.

This time, Russia is invited to attend not only the political session but a newly introduced session which will deal with politico-economic issues, such as the environment, nuclear safety and drug trafficking.

Yeltsin decided to stay home and focus on campaigns for the Russian presidency, in which he is running against Communist Party leader Gennadiy Zyuganov. Prime Minister Viktor Chernomyrdin will participate in the Lyons summit instead.

The leaders from the G-7 countries will discuss economic issues Friday morning and issue a communique in the afternoon.

The G-7 leaders will start the politico-economic session Friday evening and wrap up their three-day summit Saturday morning after discussing regional issues, such as peace in Bosnia and Middle East.

Japan: Chirac Expected To Urge G-7 To Adopt Antiterrorism Statement

OW2706124696 Tokyo KYODO in English 1136 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — French President Jacques Chirac will propose adopting a statement on terrorism on the first day of the summit of the Group of Seven (G-7) major industrial nations here on Thursday [27 June], an official of the Presidential office said.

Chirac hopes a statement on terrorism will be adopted right after Thursday's working dinner, which marks the opening of the three-day annual gathering, the official said.

U.S. President Bill Clinton has also expressed his intention to urge the summit to take up measures to combat terrorism in the wake of the bombing of a U.S. military complex in Saudi Arabia on Tuesday, in which 19 Americans were killed and hundreds of others injured.

The G-7 comprises Britain, Canada, France, Germany, Italy, Japan and the United States.

Japan: Chirac Accepts Hashimoto's Invitation To Visit in Nov

OW2806004196 Tokyo KYODO in English 2222 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 28 KYODO — Japanese Prime Minister Ryutaro Hashimoto on Thursday [27 Jun] invited French President Jacques Chirac to visit Japan as a state guest from Nov. 17 and Chirac accepted the invitation, Japanese officials said.

The invitation was extended at their bilateral meeting held just before the three-day annual summit here of the Group of Seven (G-7) major industrialized nations, the officials said.

The two countries will decide through future talks on the details of Chirac's visit to Japan, including the length of the trip, they said.

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A French presidential spokesman said Chirac will visit Japan from Nov. 17 to 20.

Chirac's visit to Japan had been scheduled for this spring, but was postponed after bilateral relations worsened in the wake of a series of nuclear tests France conducted in the south Pacific between September last year and January.

The Japanese Government strongly criticized France for conducting the tests.

At their meeting, Hashimoto and Chirac agreed that measures to combat terrorism should be fully discussed at the Lyons summit in the wake of Tuesday's bombing of a U.S. Military complex in Saudi Arabia, in which 19 Americans were killed and hundreds injured, the officials said.

Chirac chairs this year's annual summit in this central French city.

The two leaders also agreed to push for an early conclusion of a comprehensive nuclear test ban treaty, which is intended to prohibit all nuclear explosions, they said.

The negotiating deadline for the treaty is set for Friday. The talks, however, are being threatened by a dispute over whether three "threshold" nuclear states — India, Pakistan and Israel — should sign and ratify the treaty along with the five declared nuclear powers before the accord can take effect.

The five declared nuclear states are Britain, China, France, Russia and the United States.

At their 45-minute meeting, Hashimoto and Chirac also agreed that they will stress at the Lyons summit the need to tighten restrictions on the use of antipersonnel land mines.

Japan: Hashimoto, Major Agree To Back China Early WTO Entry

OW2706152296 Tokyo KYODO in English 1455 GMT 27 Jun 96

[FBIS Transcribed Text] Lyons, France, June 27 KYODO — Japanese Prime Minister Ryutaro Hashimoto and British Prime Minister John Major agreed Thursday [27 June] to support China's bid for early entry to the World Trade Organization (WTO), Japanese officials said.

Before leaving for Lyons, Hashimoto repeatedly said he will call on Group of Seven (G-7) partners to support China's bid to participate in the world trade body as a means to support Beijing's economic reform and "open-door" drive.

The two leaders met here prior to the three-day summit of the G-7 industrial countries beginning later in the day.

They also agreed that the G-7 — comprising Britain, Canada, France, Germany, Italy, Japan and the United States — as well as international financial organizations should continue supporting Russian reforms if President Boris Yeltsin is reelected in a runoff slated for July 3.

Yeltsin canceled his planned participation in some G-7 discussions to focus on his presidential campaign. Prime Minister Viktor Chernomyrdin is taking his place.

Japan: Tokyo Moves To Reassure PRC on Defense Ties With U.S.

OW2806005696 Tokyo KYODO in English 2329 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Defense Agency Director General Hideo Usui has said a senior defense official will be dispatched to China to reassure the Beijing Government on the planned expansion of defense cooperation with the United States.

In a TV program recorded Thursday [27 June], Usui stressed the importance of assuaging Beijing's concerns by making clear that the planned widening of the scope of joint security actions will not pose a threat to China.

Defense Vice Minister Naoaki Murata is expected to visit China in July for the mission, agency officials said.

Japan is drafting new guidelines for its security treaty with the U.S., aiming to enlarge the scale of the bilateral defense cooperation according to an agreement struck in April.

Southeast Asian countries have welcomed the plan, and South Korea has also displayed understanding to Japanese explanations on the project, the officials said.

Japan: LDP's Yamasaki To Meet Indonesian President Jul 1-5

OW2706140296 Tokyo KYODO in English 1256 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — The top policy-maker of the governing Liberal Democratic Party [LDP] said Thursday [27 June] he will meet Indonesian President Soeharto during a visit to Indonesia from July 1 to 5.

Taku Yamasaki, chairman of the LDP Policy Affairs Research Council, is head of an association of Japanese parliamentarians promoting friendship with Indonesia.

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He said he will visit Indonesia with other association members to explain a recently signed Japan-U.S. Security Alliance Declaration and what it means to member countries of the Association of Southeast Asian Nations [ASEAN], to which Indonesia belongs.

The declaration was signed by Japanese Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton after their summit talks in Tokyo on April 17.

Japan: Spokesman 'Reticent' on Resumption of Talks With DPRK

OW2806075596 Tokyo KYODO in English 0635 GMT 28 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — Japan remained reticent Friday [28 June] on when it plans to resume stalled negotiations on normalizing relations with North Korea.

"At the present stage, we are not able to predict when and where the talks will be resumed," Foreign Ministry spokesman Ken Shimanouchi told a news conference.

He said North and South Korea need to improve ties, but stopped short of citing this as a precondition for Tokyo resuming talks with Pyongyang.

"We believe dialogue between North and South Korea is essential for peace on the Korean Peninsula," the spokesman said, adding Tokyo will closely consult with Seoul on its relations with Pyongyang.

Shimanouchi also denied reports that a meeting is planned between Ryozo Kato, director general of the Foreign Ministry's Asian Affairs Bureau, and Ri Chol Jin, chief of the Japan division at North Korea's Foreign Ministry.

The idea of the two meeting "has never crossed our minds," the spokesman said. But he declined to comment on reports that Koro Bessho, head of the Japanese ministry's Northeast Asia Division, met Ri on Wednesday.

Normalization talks between Japan and North Korea have been stalled since November 1992, when North Korean negotiators walked out after Japan demanded information about a Japanese woman allegedly abducted by North Korean agents.

Japan: ROK Foreign Minister Comments on DPRK, Japan-ROK Relations

OW2706145496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Jun 96 Morning Edition p 5

[Summary of interview with ROK Foreign Minister Kong No-myong by NIHON KEIZAI SHIMBUN on 26 June; place not given; by reporter Ichiro Ishikawa]

[FBIS Translated Text] Seoul, 26 Jun — The following is a summary of an interview with ROK Foreign Minister Kong No-myong.

Japan-ROK Relations

1) We must keep pouring efforts, envisioning developments toward a bright future, while facing the past straightforwardly and feeling its significance. In this regard, good results were achieved (during the recent Japanese-ROK summit meeting).

2) (The comments that Prime Minister Ryutaro Hashimoto made on the comfort women issue) were the prime minister's own words, instead of what somebody else told him to say, and I was very impressed by that.

3) It is necessary not only to assemble expert historians and intellectuals from the private sector of the two countries but also people who can see things from a broad viewpoint, such as in terms of international relations, to hold meetings where we can try to come up with good ideas so that programs to support and endorse studies on the past will proceed in the desirable direction. We should frankly exchange opinions, as well as historical information at the private-sector level so that an accumulation of such activities will lead us to embrace a desirable perception of history.

4) (The issue of removing the ban on Japanese pop culture) involves problems originating from the past. We would like to proceed with the matter gradually by having concerned authorities try to consolidate public opinion. It means we will be spending a lot of time. This is not a problem that can be settled just by administrative action handed down from the top levels of the government.

5) Neighboring countries have various problems between themselves, not to mention the ROK and Japan. It is an indisputable fact that the ROK and Japan tend to get emotional because of historical factors. (Regarding the issue of Takeshima — known as Tokto in Korean), I feel that calm discussions among the governments, press, and all other fields should yield good results.

6) One thing I would like to ask Japan is to be careful about statements on issues related to the past. There are

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some Japanese who injure the feelings of the people of the ROK. While people should enjoy the freedom of thought, anachronistic comments should not be allowed to victimize relations between the ROK and Japan.

DPRK Issue

7) The food situation does seem to be severe. However, there are many things of which we are not sure. One of the problems concerns frankness; UN investigations have been based on statistics provided by the DPRK, moreover, these were not unrestricted investigations. Another problem is the amount of rice supplies that the DPRK has in stock.

8) (Regarding the issue of DPRK Secretary Kim Chong-il's ascension to power) the mourning period (for the late President Kim Il-song) ends in the DPRK after a full three years, according to reports from the PRC. Normally, the mourning period should end after two years. One reason for this is believed to be that the severity of the situation in the DPRK does not allow the country to be in a mood for celebrations and it actually does not have to strain itself. Another reason is that Secretary Kim is essentially ruling the country although there has been no official transfer of power and that it would be desirable to hold ceremonial events under better circumstances (when the economy begins to recover, among other things).

9) It is the DPRK's style to keep the country under control by using the charisma of a dead person, and with this in mind, what matters is not the appearance but the content. At any rate, it means that (Secretary Kim Chong-il) is at the top, and he seems to remain unchallenged.

10) The issue of burden sharing for the Korean Peninsula Energy Development Organization (KEDO) is something we shall now start discussing. The ROK will contribute its share appropriate to its role as the main player in this matter. Talks have proceeded to the point where ground breaking ceremonies (for the light-water reactor construction project) may be held this coming fall.

Japan: School History Books To Mention WWII 'Comfort Women'

OW2706114496 Tokyo KYODO in English 0957 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — The issue of women who were forced to served as sex slaves for Japanese troops before and during World War II [WWII] will appear in all history textbooks for use in junior high schools next year, Education Ministry officials said Thursday [27 June].

The seven history text books are among 106 books that the ministry has screened and authorized for use in junior high schools from next spring.

Some parts of the proposed social studies texts, however, have been changed under the ministry's screening system which has caused controversy among some historians in Japan over how to describe Japan's wartime behavior.

The Education Ministry has also continued to strictly check the wording regarding basic government policies on issues like the Self-Defense Forces, the officials said.

The issue of the women — known euphemistically in Japan as "comfort women" — who were forcibly taken by the Japanese imperial army and ordered to provide sex for frontline troops, has surfaced in recent years as another example of Japan's atrocious wartime behavior.

Historians put the number of women, mostly from the Korean peninsula which was then under Japanese colonial rule, who were conscripted for sex at between 80,000 and 200,000.

Critics say the ministry is now allowing publishers to describe Japan's wartime actions during its colonial rule.

As to the text books' wording of demands from surviving sex slaves and others for compensation from Japan, the ministry ordered publishers to state that official compensation between Japan and the respective nations involved has already been settled, the officials said.

Under fire for its policy of not compensating the victims as individuals, the government initiated a private fund to provide some money for the surviving women.

But this has further offended the victims, who are pressing the government through lawsuits to make an official apology and pay compensation.

Among other topics which publishers have taken up in the books is the issue of the U.S. military presence in Japan's southernmost island prefecture of Okinawa.

The issue of Japanese soldiers' treatment of prisoners of war during World War II will also appear in some of the new text books for the first time.

Japan: Taiwan Mission Wants Veterans' Compensation, Stronger Ties

OW2706125996 Tokyo KYODO in English 1228 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — A Taiwanese parliamentary mission called on Japan on Thursday [27 June] to draft a law designed to strengthen ties with Taiwan and set up a parliamentary body to deal

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with compensation for Taiwanese veterans who served for Japan during World War II.

Speaking at a press conference, Li U-kil, chief of the 13-member mission, said he appealed to Japanese lawmakers to form such a parliamentary body to resolve the issue of unpaid remuneration to Taiwanese soldiers who served for Japan during the war.

Some 20 Taiwanese war veterans who served for Japan stormed into Japan's Taipei representative office Monday morning, breaking glass and demanding higher compensation.

The veterans, from the group Taiwan Former Japanese Army Soldiers and Families United, are dissatisfied with Japan's final offer to compensate the soldiers at 120 times their unpaid remuneration.

Li called the incident unfortunate and stressed the need to resolve the wartime issue.

The Taiwanese veterans have demanded payments of 2,000 times their unpaid remuneration, citing inflation and the increased cost of living as factors.

Taiwanese were forced to serve in the Japanese Imperial Army during the war because Taiwan was a colony of Japan from 1895 to 1945.

Japan: OECF To Provide Morocco Y13 Billion for Irrigation Project

OW2806104496 Tokyo KYODO in English 0852 GMT 28 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — The governmental Overseas Economic Cooperation Fund (OECF) signed an agreement Friday [28 June] to extend a soft loan of up to 13.54 billion yen [Y] to Morocco for an irrigation project, OECF officials said.

The untied 30-year loan will carry a grace period of 10 years with most of it carrying an annual interest rate of 2.7 percent, the officials said.

This brings the OECF's loans to the North African country to 80.34 billion yen for 10 projects, they said.

Tokyo To Provide Goods, Money in Emergency Aid to Yemen

OW2706112096 Tokyo KYODO in English 1058 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — Japan will provide goods worth about 14.98 million yen and a grant of 100,000 dollars to Yemen in relief aid following recent floods, government officials said Thursday [27 June].

The flooding that swept through Yemen following torrential rains earlier this month killed 167 and left 350 missing, the officials said.

Japan: BOJ Says Corporate Fund Surplus Expands in 1995

OW2706130096 Tokyo KYODO in English 1251 GMT 27 Jun 96

[FBIS Transcribed Text] Tokyo, June 27 KYODO — Japanese corporations posted a fund surplus of 12.4 trillion yen in 1995, corresponding to 2.6 percent of the nation's nominal gross domestic product (GDP), the Bank of Japan (BOJ) said in an annual report released Thursday [27 June].

The surplus for domestic companies, excluding those in the financial industry, is much bigger than that of a 0.6 percent GDP ratio in 1994, the report said.

Companies' liquidity improved through internal reserves and depreciation, while they sold off land as part of restructuring efforts, leading to restrained investment, the central bank said.

Their capital-raising amounted to 11.2 trillion yen last year, 2.4 times as much as the previous year, posting the first yearly increase in six years, it said.

Their fund investment also marked a 2.1-fold surge to 16.3 trillion yen, growing from year-earlier levels for the third year in a row, the central bank said.

Meanwhile, the ratio of fund surplus of individuals to GDP declined to 7.8 percent from the previous year's 8.9 percent as a result of robust housing purchases amid falling land prices and lower interest rates, it said.

The government's fund shortage grew to 6.8 percent from the previous year's 5.5 percent due to a fall in tax revenues, it said.

The 6.8 percent of GDP was the highest since 1982, when the government's fund shortage expanded to 6.9 percent, it added.

Japan: Microsoft, Nintendo, Nomura Launching Information Service

OW2606045796 Tokyo KYODO in English 0109 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — Microsoft Corp. of the United States will team up with Japan's Nintendo Co. and the Nomura Research Institute in a new information service linking satellite data communications with personal computers on the internet, company sources said Wednesday [26 June].

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The three companies will formally announce the tie-up at a 3 P.M. press conference at the Hotel Okura in Tokyo, with Microsoft's chairman Bill Gates taking part, the sources said.

Japan: Possible Entrance Into High Unemployment Era Reported

OW2806091796 Tokyo KYODO in English 0855 GMT 28 Jun 96

[By Rieko Saito]

[FBIS Transcribed Text] Tokyo, June 28 KYODO — a 3.5 percent unemployment rate in May — the highest since 1953 when the current method of counting was introduced — may mean Japan is entering a structurally caused high unemployment era as has happened in many other developed countries, analysts said Friday [28 June].

With the unemployment rate having eased a little in March and April from the previous high 3.4 percent from last November to January, the big jump in May, reported earlier Friday by the government, came as a surprise.

The unemployment report was in sharp contrast to the government's diagnosis of gradual recovery in the economy as shown by January-March gross domestic product (GDP), which grew an annualized 12.7 percent, the biggest jump in 23 years.

Analysts said there are some signs of increasing hiring among large companies in industries such as electric appliances, retail sales and securities.

But this could be only an adjustment move in the workforce after radical cutbacks over the past years, the analysts say, pointing out two to three young workers can be hired for about the same personnel cost as single senior employee who has been cut.

Yasuyuki Komaki, economist at the NLI Research Institute, a research arm of Nippon Life Insurance Co., said, "even those companies increasing new hiring remain cautious about employing full-time workers."

Companies apparently prefer part-time workers with lower payments and who can perform specific work at specific times only, such as operating information equipment, he said.

"Unlike from the good old days when Japanese companies offered long-term, secure jobs, they could, from now on, select workers more critically and only when required," Komaki added.

Analysts said one reason for the high unemployment rate in May is many corporations are still restructuring their workforces by failing to replace retiring workers, failing to recruit as many new workers and still promoting early retirements.

The manufacturing sector also continues to shift production overseas in reaction to the strong surges last year in the yen's value against the U.S. dollar.

As well, other industries, such as the service, high-tech and information industries, have failed to absorb more workers as had been expected, the analysts pointed out.

In addition, ever intensifying international competition is pressing companies hard, they said.

In the auto industry, for one, competition among automakers from Japan, North America and Europe and from South Korea, which is catching up with the front runners, is worldwide and the subsequent industrial restructuring must be global as well.

The electric appliance industry, for another, is helped by the buoyant personal computer boom, but still faces heavy price competition.

Neither industry is in a situation where they can increase employment, the analysts agree, pointing out payrolls in the electric appliance industry are now just half those several years ago.

Clearly, the unemployment jump in a single month does not spell the onset of long-term, high unemployment. But it does point to the structural problems that must be eliminated if anywhere near full employment can be achieved.

Japan: Labor Ministry Reports Wage Increase Rate Up

OW2806102196 Tokyo KYODO in English 0910 GMT 28 Jun 96

[FBIS Transcribed Text] Tokyo, June 28 KYODO — The rate of wage increases at major private businesses this spring came to 2.86 percent on a weighting average, up 0.03 percentage point from the previous year's growth, for the first yearly growth in six years, the Labor Ministry said in a survey released Friday [28 June].

Reflecting the nation's economic recovery, the downtrend in wages has come to an end, the ministry said.

The 2.86 percent hike, however, was only second to the record low in 1995, still showing the effects of the long economic slump, ministry officials said.

The amount of wage increases this spring averaged 8,712 yen, up 336 yen from a year earlier, the survey showed.

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By industry, the newspaper and printing sector marked the highest wage increase at 3.42 percent, followed by the electric machinery sector at 3.18 percent and the wholesale and retail sector at 3.16 percent. Posting the lowest rate was the steel industry at 1.62 percent, it said.

The construction sector got the biggest actual wage increase at 12,635 yen, it said.

Discounting the first fall in consumer prices in fiscal 1995 since fiscal 1971, the real rate of the wage hike came to 3.0 percent, up 0.6 point from a year before, the survey showed.

The survey covered 2868 companies with labor unions, out of those listed on the first sections of the Tokyo and Osaka stock exchanges and with capital of 2 billion yen or more and 1,000 employees or more.

Japan: 21st Century SDF Aircraft Previewed

OW2706105196 Tokyo GUNJI KENKYU in Japanese Jul 96 pp 114-129

[Article by Isao Miyamoto, aerospace journalist. Part of special feature "Japan-U.S. Security Redefinition and Asian Arms Buildup. Article originally titled 'Self Defense-Force's New Aircraft for 21st Century; Defense Perimeter Will Extend to Space.'"]

[FBIS Translated Text] Adding to the outlook for the Self-Defense Force [SDF] aviation in the year 2010, written three times prior to this issue, I will now look at the future of the OH-X, modernization of the SH-60J, strong candidates as the Air Self-Defense Force [ASDF] tanker, the successor to the C-1, and the introduction of small-scale unmanned aircraft. I will also cover the establishment of an air defense system extending to space, one that includes ballistic missile defense.

OH-X Development Costs Approximately 8.9 Billion Yen

In past articles I have sought to describe what the Ground Self-Defense Force [GSDF], Maritime Self-Defense Force [MSDF], and ASDF are likely to look like at the beginning of the 21st century. Now that the series has been concluded, I feel the need to supplement it in various ways, and to try to update the information that appeared earlier. While supplementing the parts of the articles that somehow were inadequate, this also provides me with an opportunity to make revisions. Let me begin with the GSDF's OH-X helicopter. The latest issue in GSDF aviation today is the OH-X new light observation helicopter. The roll-out ceremony for the OH-X took place on 15 March 1996 at the Gifu Plant of Kawasaki Heavy Industries [KHI] in Kakamigahara, Gifu Prefecture (see May issue). The OH-X is both the first purely domestically developed helicopter and the first one developed specifically for GSDF aviation.

Development of the OH-X began in 1992. On 21 September, the Defense Agency designated KHI as the prime contractor and Mitsubishi Heavy Industries [MHI] and Fuji Heavy Industries [FHI] as cooperating companies in development of the OH-X. The framework was thus decided for development within an "all-Japan" system. At that time the total development costs for the OH-X were estimated at 7.8 billion yen (FY1991 prices).

Memories were still fresh concerning the huge squabbles involved with the development of the FS-X (F-2), the ASDF's next-generation support fighter, a project that became entangled in political issues in both Japan and the United States. In contrast, development of the OH-X took place within an all-Japan structure that made such conflicts of interest difficult to surface. At least the development schedule proceeded in accordance with the development time line.

However, there was one questionable point when it came to the development process. That concerned the engine to be installed in the helicopter. Since the plans called for the OH-X, to include its engine, to be completely developed domestically, for that reason the development of the engine continued independently along with that of the body of the aircraft. However, after the basic design had been completed and plans for the installation of the MHI-produced XTS1-10 engine had been decided, for some reason project officials avoided announcing this fact. When the mock-up model of the aircraft was first unveiled, nothing was said about the engine to be installed in it. The situation was simply a mystery.

In any event, the total development costs for the OH-X, including the request for it in the FY1996 defense budget, comes to around 8.91 billion yen. That is more than one billion yen more than the estimate made in FY1991. This cost overrun of about 1 billion yen appears to be quite large. I wonder if it should be considered within the permissible range? It is true that everyone looks at things a bit differently, but I would say that it would lie within the permissible margin for error shown to date for aircraft development programs.

When I saw the OH-X, I had the strong impression that its arrangement was very much an attempt to follow up on that of the AH-1S anti-tank helicopter. At the very least, judging from external appearance, I did not find it an innovative aircraft. Also, even though it is referred to as a "light observation helicopter," I did not find it all that small in size. That is clearly reflected in the specifications for the aircraft. Its fuselage length is

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12.0 meters, total height 3.8 meters, fuselage width 1.0 meter, and total weight fully equipped around 3.5 tons. The special characteristics of this aircraft include the fact that it has a twin-engine, tandem seat configuration; the roof-mount style of its enemy detection sight sensor; and its use of a ducted tail rotor. The main rotor is a four blade-type that is made from composite materials to make it resistant to combat damage. Among the other distinctive characteristics of the OH-X that might be mentioned are its air-to- air missile (AAM) system and stub wings.

As I previously noted, the OH-X is to be powered by two XTS1-10 engines, a model developed primarily by MHI. The XTS1-10 engine, designed to produce more output than the small-type turbine engines used in missiles and target aircraft, was developed as a turbojet type for specific use in helicopters. When it comes to its major performance capabilities and specifications, we can mention the fact that it offers medium-class output of about 800 axle horsepower, weighs about 150 kilograms, and incorporates a multifarious, FADEC totally electronic-type engine governance system. Also, among the constituent elements of the XTS1-10 engine, KHI is responsible for manufacturing the electronic governance devices, the fuel burner (combustion element), and the injector particulation system (IPS).

OH-X Development Budget by Fiscal Year

FY1992: approximately 2.5 billion yen; basic design consignment; outside consignment for basic design work.

FY1993: approximately 10.2 billion yen; test models-first series; detailed design and all fatigue strength testing models.

FY1994: approximately 50.1 billion yen; test models-2d series: detailed/maintenance design; two test aircraft (aircraft numbers 1 and 2) for flight testing; one aircraft for total static strength testing; one test aircraft and nine engines for tie-down testing.

FY1995: approximately 23.1 billion yen; test models-third series; two test model aircraft (aircraft numbers 3 and 4) for maintenance design, etc., and flight testing; three types of fatigue strength test models and 11 engines.

FY1996: approximately 2.9 billion yen; test models-4th series; two types of test models for fatigue strength testing and special equipment, etc. (Budget amounts of 10 million yen or less are rounded off).

Search Capabilities on Par With the RAH-66

According to an official at the Defense Agency's Technical Research and Development Institute [TRDI], the foremost technical feature the OH-X is its use of a hingeless hub made from composite materials. The rotor hub of a helicopter is the equivalent of the steering flaps of a fixed wing aircraft. In the past, the rotor hubs used were complicated mechanisms composed of many parts. Total joint-type rotor hubs are representative examples. On the other hand, the hingeless hub of the OH-X has been made flexible through the use of composite materials which offers the aircraft quite superior maneuverability during flights at ultra low altitudes. Moreover, because its structure is quite simple, fewer parts inspections are required. That makes it a match for the U.S. military's RAH-66 Comanche reconnaissance helicopter, which was the first aircraft in the world to employ this technology. Its international reputation is high.

The materials used in the rotor blades are highly flexible glass fiber materials. Although carbon composite materials are very strong, they are not very flexible, which makes them unsuitable for use in rotor blades. Rotor blades made from glass fibers are very resistant to damage in combat. The expression "combat damage resistance" refers for the ability to continue to operate in combat after being hit by fire. Even if the blades suffer hits from small arms or the rotors come into contact with tree limbs when fling at ultra low altitudes, if the damage is not severe, then it will remain localized, and the helicopter will be able to continue flying. Detailed figures have not been released, but it is believed that they will be able to safely handle hits from 20mm explosive shells. The second special feature of the OH-X is that incorporates a ducted tail rotor (DTR). Since use of the DTR was not in the initial conceptual diagrams, the plans changed considerably during the basic design stage. Ducts are now provided around the circumference of the tail rotor, and the mechanism provides propulsion through the mutual effects of the ducts. This DTR system prevents damage when the helicopter is flying at ultra low altitudes, reduces the chances of ground accidents, and so on. It also makes takeoffs in confined areas highly safe. At the same time, because the tail rotor is positioned low, maintainability is improved, and with it step ladders and other such equipment are not required when conducting field maintenance. The design thus offers both greater safety and improved maintainability.

The use of combat damage-resistant rotor blades is one indication of the great emphasis that was given to planning for increased survivability for the OH-X. The anti-helicopter combat capabilities provided by the AAM are another part of the commitment to

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aircraft survivability. Other examples are capabilities for overcoming obstacles and to make it more difficult for the aircraft to be detected through visual observation.

These features together help to ensure durability and dry run capabilities. This dry running capability means that the helicopter has been provided with the capability to keep operating temporarily without catching on fire, even if the lubricant oil has leaked out after the transmission has been hit by shellfire.

In addition, the oil pressure and steering systems are duplicated, so that back-up systems are available. At the same time, the passenger seats have been armor plated, and the fuel tank (which can carry 252 gallons of fuel for the aircraft) is of the "crash-worthy" type; even if the aircraft crashes, it will not catch fire or explode from the impact. The radar warning system, infrared jammer, and infrared suppressor on the OH-X are all the same as for the AH-1S.

On the other hand, when it comes to the features of the helicopter's electronic equipment, its use of an avionics integration system is mentioned. This avionics system uses the MIL-STD1553B data base to integrate all of the electronic equipment on board. The integrated information is displayed on a full color liquid crystal control panel in front of the pilot's seat.

The pilot's seat has two large color liquid crystal panels in front and behind that display flight specs, warnings, navigation, enemy detection sighting information, and other information. A single command with a function key changes the menu so that the system can in timely and accurate fashion provide the pilot with necessary information as needed.

The crew are seated in a tandem configuration, with the pilot in front and the co-pilot behind. This arrangement is the opposite of that in the AH-1S anti-tank helicopter. This configuration is related to the positioning of the search sight and recently has been adopted for the majority of combat helicopters. The search sights themselves are comprised of infrared sensors (close-distance night vision mechanisms), sighting color TV cameras, and laser distance measuring devices, all of which are linked in the same system. All of this equipment is quite compact, and the sensor part is located to the rear of the copilot's seat. There reportedly was quite a bit of discussion as to where the search sight should be located. There apparently was quite a bit of opposition to adoption of a mast mount type, since it was felt that it would be unsuitable for a small helicopter like the OH-X class. Officials explain that the sight used was chosen in order to reduce to a minimum problems with visibility.

As can be deduced from the composition of this sensor and such, the search capabilities of the OH-X are probably on a par with such other advance helicopters of the same generation as the RAH-66 Comanche (United States) and the PAH-2 Tiger (jointly developed by Germany and France). At the same time, it should be pointed out that the missions envisaged for these helicopters clearly differ, since the mission emphasis for the RAH-66 and PAH-2 is on surveillance and combat, while for the OH-X it is on surveillance/warning and command and control functions.

In the end, the OH-X is meant to be an observation helicopter, so it should be judged with the knowledge that the emphasis was placed on design-to-cost fulfillment of mission requirements.

Over 200 OH-X Helicopters

The OH-X's first test helicopter, which was the aircraft involved in the 15 March roll-out ceremony, is scheduled to have its first test flight this summer following completion of ground performance, ground vibration, and other testing of the piloting and electronics systems. After this helicopter has completed its maiden flight and in-house testing at KHI, it and three other test helicopters (that will have undergone other kinds of tests) will be delivered to the Defense Agency by June 1997. Once these four aircraft are on hand, the project will enter its test flight phase, with the Defense Agency performing a variety of engineering and operational testing and evaluation. The aim is to complete development by the end of FY1999.

Responsibility for the OH-X's engineering and operational testing and evaluation will be TRDI and the GSDF's Aviation School (Akeno, Mie Prefecture).

In preparation for the OH-X flight tests to take place there starting next fiscal year, plans call for a provisional test flight unit to be organized within the Aviation School. Although initially this provisional test flight unit is to be under the command of the Aviation School, the idea is for it eventually to become an official unit, namely the test detachment that is supposed to be newly assigned to TRDI.

By the way, what is to be the production plan for the OH-X? For now, the Defense Agency and KHI are taking the stand, at least publicly, that they cannot disclose that information. Even so, that is not to say that "inability to comment is equal to working with a blank sheet of paper."

The OH-X has been designated the successor to the OH-6D observation helicopter currently in use. Procurement of the OH-6D began in 1979; by the time it ended in

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1995, a total of 193 helicopters had been procured by the Defense Agency. Of those, 16 aircraft had been procured as test aircraft; excluding those, there were a total of 177 operational aircraft. The deployment goals for the OH-6D's successor, the OH-X, are on the same order, or perhaps slightly greater. Let us take a look at the specific numbers involved here. We can break down the major kinds of units that have been equipped with the OH-6D into the following categories: division aviation units, district helicopter units, and anti-tank helicopter units — that is, five units of each type. A total of 40 helicopters are assigned to these units. When you add in the aircraft needed for education and training and other support missions, you get a total of more than 150 helicopters.

Production of the OH-X is expected to commence during FY1997. Equipment targets under the Mid-Term Defense Program [MTDP] indicate about 15 aircraft for that period. But clearly the procurement of around 250 helicopters is envisaged for the coming 20 years or so.

Some criticism has been made of the OH-X's lack of transport capability. In response, plans were adopted to equip all division aviation units with a multipurpose helicopter, the UH-1H/J. Working in tandem with the UH-1, this helicopter should be able to handle the transport duties, although this does not really answer the alleged failings of the OH-X. In the end, the OH-X is expected to function as an observation helicopter, so its ability to be used for miscellaneous purposes in darkness or cloudy weather would not necessarily be a plus. Rather than that, we should thoroughly concentrate on design-to-cost concerns, in order for the Defense Agency to secure helicopters at low cost. In that sense, the design policy for the OH-X seems to be appropriate.

When it comes to current issues, the GSDF is rather preoccupied with the OH-X. But another new test aircraft has for all practical purposes been decided in the form of a new liaison reconnaissance aircraft, the LR-X. The list of candidate aircraft reportedly includes around 20 business aircraft models, topped by the Beech Super King Air 350, Piper Cheyenne 400, and Peugeot Avanti. The GSDF Ground Staff Office [GSO] has issued request for proposals (RFP) from the 10 companies involved, with a deadline of 23 April 1996.

In response, all of the competitors announced that they were dropping out of the competition, with the exception of the trading company C. Itoh & Co., Ltd., which had offered the Super King Air 350-type aircraft. As a result, that aircraft has for all practical purposes been adopted.

After the GSO examines the details of the proposal, the adoption of the King Air 350 will be confirmed. Since procurement of the plane has been funded within outline requests for the FY1997 budget, it is expected that a specific request will be made. It is expected that the aircraft will bear the model name "LR-2." Six of them are likely to be procured.

The Super King Air 350 aircraft, developed by Raytheon Corp. (Beechcraft) of the United States, is a twin-motor turboprop aircraft with improved performance compared to the King Air 300. The fuselage and main wings have been extended, and winglets have been created on the tail wings. Compared to previous King Air models, overall flight performance has been enhanced; the plane can cruise with a crew of eight and 2,000 pounds (0.9 tons) of cargo at around 330 knots (with a maximum elevation of 18,000 feet). Currently, there are about 90 planes from the King Air series in operation inside Japan. One of the great competitive strengths of the aircraft is that equipment and parts supply system has already been established. The Super King 350 is the same general type of plane as the TC-90 instrument flight training aircraft flown by the MSDF. In the U.S. military, it is known as the C-12. The U.S. Army, U.S. Navy, U.S. Air Force, and U.S. Marine Corps all fly the plane. In addition, there is also the RC-12 Guardrail battlefield surveillance aircraft, specially designed as a multipurpose airplane for use by the U.S. Army. Considering the operational track record that the Super King Air 350 has built up, we might say that its acceptance by the GSDF was a case of appropriate aircraft selection. It is forecast that eventually around 20 of the planes might be procured.

SH-60J Modernization

Three major MSDF projects identified in the MTDP (FY1996-FY2000) are: 1) deployment of the SH-60J patrol helicopter, 2) performance upgrading for the P-3C patrol aircraft, and 3) study of a successor for the P-3C.

In addition, in the field of technical research and development, it has been decided to develop an improved version of the US-1A rescue aircraft. In addition, performance upgrading is taking place for the SH-60J patrol helicopter, to which somewhat vague reference was made in an article in this journal's April issue. Here it is expected that the structural development for performance upgrading and modernization will commence in FY1997. The SH-60J was developed as a modified version of the U.S. Navy's SH-60B LAMPS III as a successor aircraft to the HSS-2B model ship-borne helicopter. Large-scale production began in 1989 in an effort to update the shipborne helicopters for four escort flotillas. Then in FY1993 procurement began for replacements for the HSS-2B land helicopters that were being phased out. Through FY1995, 69 of these heli-

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copters, including those of the shipborne variety, were deployed.

The MTDP calls for the introduction of 37 of these aircraft, mainly as upgraded substitutes of the land-based HSS-2B.

The procurement of the SH-60J is one of the key equipment activities for the MSDF mentioned in the MTDP; the FY1996 budget provides for procurement of six aircraft. They will continued to be procured, even as there are plans for improving the performance of and modernizing the SH-60J.

This modernized version has been tentatively dubbed the "SH-60JX." Plans call for major modifications, including to the aircraft fuselage. In addition to this modernization effort, there are also plans for partial improvement of its armaments.

The modernization of the SH-60J entails technical development on four fronts: 1) the main rotor system, 2) the shipboard landing guidance support system, 3) the tactical assessment support system, and 4) the acoustic system (low frequency sonar). These improvements are designed to advance systems integration.

At present, TRDI is engaged in research and testing concerning these four categories. After research and development for the various components is completed between FY1997 and FY2000, the plan calls for modification of the aircraft body. The development of the modified SH-60JX is to commence in FY1997 and is a concept that will be promoted as a program under the seven-year plan slated to last until FY2003.

At this point in time, it is difficult to imagine what the new plane will look like, even though the general shape of the various components that will go into the plane is more or less clear. Here, I would like to give an overall explanation of the contents of the research and development involved.

As I noted earlier, there are four main points involved when it comes to the technological development categories for the SH-60JX. Among these four items, the only one that is directly related to the fuselage is the main rotor system. The others have to do with on-board equipment systems. The main rotor system research testing model development started in FY1993. During the three years through FY1995, a total of 1.936 billion yen had been spent for this purpose.

The first step was to build a model for wind-tunnel testing. The next step was wind-tunnel testing to develop a model for the configuration of the blades. This in turn was followed by manufacture under the FY1995 budget of true-dimension test blades, and testing of them is scheduled to take place during FY1997. The testing next fiscal year will give a good idea of the overall progress achieved to date.

This research and development is designed to provide the new helicopter with highly efficient hovering capabilities, while minimizing vibration in the main rotor system. Some of these modifications are designed to respond to the increase in overall weight over that of the SH-60J, since more on-board equipment, etc. will be added. According to information that has been made public, 1) the new helicopter will have a hovering efficiency approximately five percent greater than that of the SH-60J for operations above the surface of the ocean, with exterior temperatures of 32 degrees celcius or when influenced by the ground, and 2) the vibration seen in the SH-60J will be reduced by approximately 30 percent or more.

Development of research testing models for the main rotor system has been proceeding for a year now, and a ship landing guidance assistance system is being developed. This is intended to help ensure safe and speedy landings at night or in rough weather. The new system is intended to guide the helicopters to precise landings on a flight deck and to assist their pilots in handling the aircraft during landings. The objectives are to reduce the workload for the pilots, while at the same time improving safety.

This ship landing guidance support system is divided into two subsystems. First, there are the shipboard laser devices that can accurately estimate the distance from the helicopter, and transmit data on the distance to the helicopter. Second, after the helicopter automatically approaches the flight deck through a predetermined pattern and hovers over the deck, with optimal timing it affects a landing when shocks are likely to be few.

Research and development of the ship landing guidance support equipment began under "Miscellaneous 1" of the FY1992 budget and was ordered under "Miscellaneous 2" allocations in the FY1995 budget. After test models are ready in FY1997, during that same year testing is due to commence. It is expected that development costs will total around 9.48 billion yen. Among the equipment on the helicopter, the anti-submarine warfare systems are divided into two subsystems. One is an acoustic system; the other is a tactical assessment support system. Both are further divided into equipment originally intended for fixed-wing aircraft and for rotary aircraft. Research and development is being carried out in an attempt to install a type of the former onto the MPA (multipurpose patrol aircraft) to succeed the P-3C. Development is also proceeding on the equipment for use on the SH-60JX, namely low frequency sonar

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"shipboard anti-submarine tactical assessment support system."

Research and development in these areas has been continuing since FY1992. With the acoustic systems the objective is to achieve detection capabilities surpassing those of presently in use in order to be able to counter a new generation of submarines that will be quieter and incorporate stealth technology.

The sonar currently in use on the SH-60J is of a hybrid U.S.-Japanese type, with the signal wave transmission equipment, cables, and other "wet end" equipment imported from the United States and only the signal reception and other devices provided by Japanese manufacturers. The new plans call for the sonar wave transmission and reception equipment, signal processing devices, and so on to also be domestically produced. The first order for such equipment was given to NEC Corporation under the FY1992 budget. The aim is to develop sonar that will be roughly three times as powerful as that now in use. Budget measures for research testing of low frequency wave sonar concluded in FY1995 and test models are scheduled to be produced in FY1997. It seems that as of now the program is right on target.

On the other hand, the tactical assessment support system is made up of a volitional decision support device, a detection intelligence control device, a conditions assessment support device, and their peripheral equipment. Detection intelligence is received from individual sensors, which allows for analysis of the course that the target submarine is following. Based on this information, the direction of movement is determined and assorted other tasks carried out, which will prove important in cutting down on manpower, while also offering a capability to deal with new types of submarines. Production of test units for this new system, expected to be a highly sophisticated system employing artificial intelligence, is due to be completed in FY2000.

Modifications to improve the performance of the P-3C, modernization of the SH-60J, the search for a successor to the P-3C are the main lines of development in MSDF aviation in the first decade of the 21st century. Although continuing to adhere to its past approach to anti-submarine warfare, the MSDF is looking to more diversity of application. It appears that one could say that the MSDF this fiscal year to refer to its anti-submarine patrol aircraft as "patrol aircraft" and likewise refer to its anti-submarine helicopters as "patrol helicopters" anticipate this change.

Modified B-767 in Lead as ASDF's New Tanker?

Regarding the successor aircraft to the ASDF's C-1 and the introduction of a mid-air refueling aircraft, I discussed them in the previous issue of this journal. Although there will be some overlap, I would like to cover the issues again with a bit more detail. On 12 August 1994, the Advisory Group on Defense Issues, established in February 1996 as a private advisory organ to the prime minister, presented its recommendations to then Prime Minister Tomiichi Murayama. In it was the following:

"The introduction of a mid-air refueling aircraft is worth consideration from the viewpoint of its use in making the defense system more efficient and stronger. In addition, flight training could thereby be made more efficient."

For the Defense Agency, this recommendation could be said to be a case of letting the wolf guard the sheep. In the background to this, in regards to mid-air refueling aircraft in the text of the MTDP, it strongly expresses the possibility of introducing them in language that goes a step beyond that of the past. It refers to "reaching a conclusion and acting on it." According to what has been related, consideration in the Defense Agency's Internal Bureau regarding mid-air refueling aircraft functions has reportedly been more than adequate. (see "Consideration of How SDF Should Be: Behind the Scenes and Up Front" in the October 1995 issue of this journal.) Consequently, for the duration of the current MTDP, the issue is likely to be one of reconfirming the results of existing studies and then preparing an environment favorable to the introduction of the aircraft.

Within the next two to three years, it is seen as certain that a decision would be reached on "introduction." In the event the decision is made for introduction, what are the selection criteria to be considered? As a realistic possibility, it is hard to imagine any option other than importing from the United States. In that case, as no mid-air refueling aircraft are now manufactured in the United States, that would mean modification of existing transport aircraft as tankers.

At this point the strong candidate aircraft would appear to be Boeing's B767-300T/T mid-air refueling aircraft, which is a modified version of the Boeing 767, and a modified version of the McDonnell-Douglas C-17 transport. Other than those two, one can also list as a candidate Lockheed's C-130J tanker. At this stage, all three are still in the concept stage. In that sense, there is the feeling that the B-767-300T/T is one step in the lead in consideration of its similarity to the E-767 early warning and control aircraft (AWACS).

The Boeing 767-300T/T is a mid-air refueling aircraft based on the 300ER (extended range) type in the 767 series. The "T/T" stands for "tanker/transport." In short, the aircraft are mid-air tankers with transport capability.

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This concept first became a reality with the U.S. Air Force's KC-10A mid-air tanker, known as a success. There is still no detailed information on the B767-300T/T, but in the "mother aircraft" from which it is being developed, namely the 300ER-type, the fuel tanks, fuel pumps used in refueling operations, etc. are added under the cabin. Other important features are the "flying boom" mid-air refueling mechanism located on the tail-end of the fuselage and the hard point fuel pods under the main wings.

It is certain that Boeing Corp. is likely aware of the ASDF as a potential customer for the B767-300T/T. At the same time, however, it is viewing the aircraft as a successor to the KC-135 aircraft now deployed with the U.S. Air Force [USAF]. The USAF claims that it plans to continue using the KC-135R aircraft until the year 2020, but analysts believe that it will have to begin revamping its fleet of mid-air tankers around 2010. With development of the B-767-300T/T not to begin, the aircraft will come on line with truly excellent timing.

Leaving aside the issue of USAF plans, the B-767-300T/T is viewed as the strong candidate for the ASDF's mid-air tanker primarily for the following reasons: 1) common characteristics with the E-767 AWACS in such areas as operations, maintenance, and education and training, and 2) high cost efficiency, including life cycle costs.

In particular, there is a major cost reduction effect in the ability to make common the fuselage and engine with same 767 aircraft, contributing to eliminating the inconvenience and lack of rationality of operating many types of aircraft in small numbers. Moreover, the aircraft's status as the USAF's likely next-generation tanker should prove advantageous from the viewpoint of maintaining interoperability.

C-17 Tanker a Rival Aircraft

The most likely alternative to the Boeing 767-300T/T is the mid-air tanker and transport version of the McDonnell-Douglas C-17. This is the model from which the USAF's C-17 "Globemaster III" mammoth transport aircraft was developed; the size of its body dwarfs that of the B-767-300T/T.

In November 1995 an order for an additional 80 C-17 transports for the USAF was made. The order, adding to the 40 aircraft previously ordered, set the production number at 120. At one point there was speculation that production of the C-17 would cease without further procurement. McDonnell-Douglas is thus somewhat at ease.

Even so, orders are less than half compared to initial production forecasts. With a desire to acquire overseas markets for the C-17, the ASDF is clearly one highly attractive potential "customer." Aside from the issue of the mid-air tanker, the ASDF at one point was considering the acquisition of large, long-distance transport aircraft for use in PKO support and other operations. In the end, for reasons related to equipment priorities, fiscal constraints, and such, the ASDF decided to put off the idea; it was not included under the current MTDP.

McDonnell-Douglas would likely publicize loudly at this point that "the C-17 can be used both as a transport and a tanker." At the end of February this year a company information team came to Japan and conducted briefings for individuals connected to the Defense Agency on the C-17 transport/tanker.

In the C-17 transport/tanker, on the aircraft body—the same as that for the C-17A—a KC-10A fuel boom is attached, to which in turn is added a central wing supplementary fuel tank with a 10,000-gallon capacity. In the forward section of the baggage compartment a remote control fuel operator's seat (RARO station) is installed on pallets. Thus, the operator can operate the fuel boom while observing the TV monitor.

Since units that have already proven their worth on the KC-10A can be utilized, reliability is high. In addition, another distinguishing feature of the C-17 tanker/transport is that a switch from transport to the refueling configuration can be accomplished in a short period of time. According to the explanation provided by McDonnell-Douglas, approximately eight hours is reportedly required for such a change in configuration.

The internal configuration of the C-17 tanker calls for the installation of the fuel operator's seat in the forward part of the baggage compartment described earlier, offering the option of installation of module-type supplementary fuel tanks. Moreover, in order to make optimum use of open floor space, paletted cargo conforming to the 463L Series specifications can also be loaded.

The mid-air refueling system is comprised of the paletted, remote control-type fuel operator's seat, the central wing supplementary fuel tank fuel boom device, and the TV camera and control devices for use by the operator, to which various kinds of optional equipment can be attached. This optional equipment includes self-operated refueling receptacles, module-type tanks installed in the baggage compartment (the plane can carry up to 45,000 pounds in cargo) and drag-type mid-air refueling pods (beneath both main wings). Since all elements of this system have been used extensively on

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the KC-10A and other aircraft, they can be considered highly reliable.

When it comes to the loaded fuel capacity for the mid-air refueling version of the C-17, if the central wing supplementary tanks are counted, the plane has a total capacity of 248,050 pounds (approximately 42,800 gallons). With the central wing supplementary tanks attached, the total operating weight of the plane becomes 285,400 pounds (approximately 129 tons). The maximum payload equals 162,000 pounds (approximately 73.5 tons). With a period of 80,000 pounds (approximately 36 tons), the plane can fly 4,680 nautical miles. Its maximum take off weight with a cargo load at 2.25G is 585,000 pounds (approximately 265 tons). These specifications are the same as for the standard C-17.

If the fueling capabilities of the mid-air tanker version of the C-17 were represented in graph form, we would see that its refueling capabilities stand roughly midway between those of the KC-10A and the KC-135R. As the distance covered increases, the fuel capacity decreases. For distances over 1,250 nautical miles, its capabilities compared to the KC-135R reverse positions. When optional equipment—in the form of the modular-type tanks—is installed inside the plane, the refueling capabilities of the C-17 surpass those of the KC-135R up to an effective range of 2,000 nautical miles. At distances above that, the characteristics of the KC-135R are superior to those of the C-17.

Judging from the characteristics of such refueling capabilities, the C-17 is not suited for the role as a tanker supporting long-range deployments of fighter units as with the USAF. In the case of the ASDF, whose goal is to extend the patrolling time of fighter aircraft by operating mid-air tankers, the aircraft would seem fully suitable.

Let me explain in somewhat more detail the capabilities of the C-17 mid-air tanker. At a spot 1,000 nautical miles from its home base, the plane is capable of refueling 15 F-15 fighters with the approximately 10,000 pounds of fuel (more than 1,500 gallons) it carries aboard. That would give it a bit more refueling capacity than the KC-135R under the same conditions. On the other hand, if the distance involved were greater than 1,200 nautical miles, the C-17 and KC-135R reverse positions when it comes to superiority; as the distance increases, the fuel capacity of the C-17 plummets. This is just as explained earlier.

Because of these fueling capability traits, McDonnell-Douglas is not considering proposing acquisition of the mid-air tanker model of the C-17 by the USAF. The company believes that its sales targets will remain in overseas export markets; the U.S. Government concurs.

Regarding overseas sales of the C-17, both the mid-air tanker and transport versions, the USAF is reportedly firming up a support policy.

Future of C-1 Successor Aircraft

As noted in the last issue of this journal, the current MTDP includes consideration of a successor aircraft to the C-1 transport.

The C-1 transport now in operation was developed domestically. From 1973 began deployments to units of the Transport Air Command began; the ASDF took delivery of 31 aircraft in all through FY1978. At present 25 planes are assigned to two squadrons of the Air Support Command. Regarding the successor for the C-1, the MTDP states simply, "after study, the necessary measures will be taken."

We are now at the stage where the real search for the successor to the C-1 will begin. However, as of yet the specifics of demanded performance and such have still not been determined. Generally speaking, the characteristics of transport aircraft will vary depending on what they transport, how, in what volume, and how far. The C-1 was developed as a tactical transport. Consequently, when the transport capabilities desired for any successor for the C-1 are considered by way of extension into the future, it becomes clear that the new aircraft will also most likely be a tactical transport aircraft.

However, unlike the time around 1965 when the C-1's performance requirements were put together, the C-1's successor will have to be able to respond to a wide variety of situations. At the conception stage, it might be necessary to consider the ability to respond to PKO support and other roles.

Regarding the choice of C-1 successor aircraft at present, both imports and domestic development are options. As general arguments, both options can be considered, but one can well understand that there is the opinion, centering on our aviation industry, that "we would like to develop the aircraft domestically." However, a number of complicating factors are certainly involved in the domestic development of the successor to the C-1. The first problem is that the number of planes needed would be few.

With the C-1 project, in all a mere 31 planes were manufactured. As a matter of course, we can assume that the demand level for the successor plane will be more or less the same. Even when considered in tandem with the successor to the C-130H, it would appear that total demand for both planes at most would be a bit more than 50. Plans have also reportedly been floated

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to develop a new plane that would fulfill the functions of both the MSDF's successor to the P-3, the MPA multipurpose patrol plane now on the drawing boards, and the C-1's successor aircraft.

As a separate factor, there is the problem of how to differentiate the concept for a large, long-distance transport aircraft and the successor for the C-1. I have learned that the plans for the introduction of a large, long-distance transport aircraft have been put on hold for the time being. Attention is now to be given to the transport concept for the successor to the C-1 and the performance demands to be incorporated in its design. We can expect that some adjustments will have to be made in how the two projects are handled. There is a high probability that the decision will ultimately be made in favor of domestic development of the C-1's successor. For now, however, there is no estimating its character, fuselage size, and other aspects.

Small Unmanned Aircraft To Be Added to Equipment Lineup

I did not touch on the issue in my previous article on account of space limitations, but research and testing of a small multipurpose unmanned aircraft began in FY1995. Since the ASDF has not had such a weapon in its arsenal until now, it can be said to be a noteworthy area. In any country, unmanned aircraft are unpopular with pilots. Compared to piloted aircraft, however, both development and operational costs are inexpensive. What the promotion of manpower reduction, we might well expect to see more of them around in the days to come.

Make no mistake about it, it is not that piloted aircraft will become unnecessary with the acquisition of unmanned aircraft. The idea is to use unmanned aircraft effectively to supplement piloted aircraft.

In a sense, there is a broader range of roles for unmanned aircraft than for piloted aircraft. However, development of an aircraft for each particular role would invite increased costs and prove inefficient in terms of time. Consequently, from FY1995 research and testing on component technology for a small unmanned aircraft capable of use in various roles.

Research on multipurpose, small unmanned aircraft is scheduled to be conducted under a five-year plan from FY1995 through FY1999. Based on the results, the ASDF from FY2000 is expected to begin working with the GSDF to develop an operational model. FHI has been designated the responsible company. "Phase 1" of the FY1995 contract is worth approximately 481 million yen. The specific duties spelled out under the contract include fuselage systems design, building of models for use in wind tunnel tests, and the conduct of related tests. After that, there is to be another stage of the project worth around 2.6 billion yen in which prototypes for flight testing will be manufactured.

The multipurpose unmanned aircraft operational concept envisages such things as in-flight launching from fighter aircraft followed by flight following automatic extension of the main wings. The unmanned aircraft are to be used for reconnaissance missions and will relay back to the ground via data links intelligence they have gathered with onboard electronic sensors. After completing their missions, the aircraft will parachute to the ground for later recovery. In order to increase survivability, the fuselage will reportedly have Stealth characteristics.

There is still no detailed information on the unmanned aircraft. However, the following points can apparently be offered as its chief features: 1) it will be compact, with retractable folding main wings; 2) it will incorporate Stealth characteristics; and 3) it will perform a multiple functions, including reconnaissance.

The U.S. military refers to such small, unmanned aircraft as UAV. It divides them into four categories: close-range (CR), short-range (SR), medium-range (MR), and extended range (ER). I imagine that the multipurpose, small UAV developed by the ASDF will correspond to the close-range category in the U.S. military's UAV classification system.

This type has an operational radius of approximately 80 nautical miles and can carry a payload of 200 pounds (approximately 90 kg). Its uses include reconnaissance and observation, target search and identification (targeting), electronic warfare, pre-attack reconnaissance, and results evaluation. Other uses are certainly imaginable.

By making the fuselage standard while varying the payloads, a number of different applications become possible. The ASDF of the 2010's will without a doubt be using unmanned aircraft of this sort.

"Aerospace Self-Defense Force" in First Decade of 21st Century

Since the ASDF was established in July 1954, the target of its air defenses has been limited to aircraft. However, the new field of ballistic missile defense has recently been added. While late, the ASDF has made the decision to begin research in this field. The MTDP has the following policy regarding ballistic missile defense: "In fully investigating its utility, cost effectiveness, and other aspects from a comprehensive perspective, we will reach a conclusion in this regard."

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The Defense Agency in the autumn of 1995 published a paper entitled "On Research Related to Ballistic Missile Defense." In that document, the Agency explains the features of ballistic missiles as follows:

1) Fast flight speed: The top speed is approximately 3 kilometers per second. This equates to roughly four times the maximum speed for the F-15 fighter aircraft.

2) Short time to reach their destination: Time in flight from launch to impact is approximately 10 minutes. They arrive on target quickly.

3) High flight altitude: The maximum flight altitude is approximately 300 kilometers. This is some 30 times the cruising altitude for the F-15 fighter. Also, the missiles descend at a high foray angle of approximately 45 degrees.

4) Small radar reflective surface: The radar reflective surface of ballistic missiles, at less than a few tenths that of fighter aircraft, is extremely small. Detection by conventional radar is difficult. To intercept them requires coordination of various systems and a response within a very limited period of time.

As can be seen from the above description, defense against ballistic missiles is a very difficult proposition, as was made clear during the course of the Gulf War. At that time, in order to intercept the Iraqi military's Scud surface-to-surface missiles, the United States mobilized even its space-based sensors. Even so, it is difficult to say that the defense against the Scuds was completely effective.

Based on such lessons, as is well known, the United States from 1993 has been actively promoting the Theater Missile Defense (TMD) Concept.

The U.S. TMD system would be composed of three kinds of systems: interceptor weapons, sensors (warning and detection), and C3I (command, control, communications and intelligence) capabilities. When it comes to the weapons portion, development is taking place in a two-tier (sophisticated weapons/relatively unsophisticated weapons) fashion, with attention being given to weapons designed to be launched from the land or ocean.

Plans call for the development program to be divided into short-, mid-, and long-term components. Current research is concentrating on developing relatively unsophisticated weapons systems, such as through improvement of the Patriot surface-to-air missile. From 1997, the TMD development program will enter its mid-term, during which time top-level interceptor systems are scheduled to come on line. These are collectively referred to as the THAAD (theater high altitude area defense) System. The diffusion of operational systems to military units in the long-term phase is supposed to commence from 2002.

The U.S. Government has asked Japan to participate in this TMD Concept. It has been widely reported in newspapers and other media that when U.S. Defense Secretary William Perry visited Japan in mid-April, he requested of Defense Agency Director General Hideo Usui that Japan decide before year's end whether or not to participate in TMD research. About one month later, the morning edition of the YOMIURI SHIMBUN reported that Director General Usui had told the Committee on the Cabinet of the House of Representatives that the government had decided that a final decision on participation in the TMD Concept would be made by the summer of 1997.

Ballistic missiles are weapons against which defense is extremely difficult. To intercept one with other missiles launched from land or sea is said to be more difficult than trying to intercept a flying bullet with a handgun. Ballistic missile defense obviously involves extremely sophisticated technical questions.

Policy decisions related to ballistic missiles, including Japanese participation in the TMD project, demand careful consideration of numerous issues, including their special characteristics, technical feasibility, the specific contents of systems to respond to ballistic missiles, and cost effectiveness. These investigations are covered in the report "Comprehensive Survey and Research on How Our Nation's Air Defense System Should Be." This research began in FY1995; some 443 million yen was allotted for it in the FY1996 budget. Now, in line with U.S. studies and simulations, Japan is conducting analysis and evaluation of the effectiveness of air defense systems, developing cost estimates for various air defense systems, and such.

Separate from ballistic missile defense, it was reported in the 16 May 1996 morning editions of the daily newspapers, that the Liberal Democratic Party's Joint Commission on Foreign Affairs and Security was launching a study on the development of an independent Japanese reconnaissance satellite capability.

This news caused some consternation among government officials, but the new National Defense Program Outline [NDPO] set last year clearly states that, "Through the possession of various means of intelligence gathering, we should conduct sophisticated intelligence gathering and analysis, to include strategic intelligence." Almost certainly, reconnaissance satellites at least are not "forbidden." So there is the issue of ballistic missile defense through possession of reconnaissance satellites. Apart from whether or not this comes

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to pass, there is no room for doubt that defense in the first decade of the 21st century will include outer space.

North Korea

DPRK May 'Discontinue' Missile Talks Because of 'Rumors'

SK2806085596 Pyongyang KCNA in English 0848 GMT 28 Jun 96

["Hostile Forces Try To Obstruct Missile Negotiations" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — U.S. and other West media have been loudmouthed about missile sales to Middle East nations by the Democratic People's Republic of Korea.

Britain's newspaper SUNDAY TIMES and the U.S. Radio Voice of America alleged that "North is going to export missiles to Syria" and it "offered parts of SCUD missiles to Egypt."

The false rumor is not a matter of argument but a hackneyed allegation.

In the past the United States and other hostile forces following it have spread such rumors more than once for the purpose of marring the DPRK's international prestige and misrepresenting its friendly and cooperative relations with Middle East countries.

But they have failed to attain their sinister purpose.

Now we have no intention to argue about the "North Korea's missile export" rumor spread by the hostile forces.

However, we take it very serious that they have been spreading such provocative rumors against us though the DPRK and the U.S. held missile negotiations in Berlin in April and the two sides have discussed matters of common concern.

The missile negotiations are what the U.S. proposed to the DPRK and what the latter has responded to, taking the former's position into consideration. So, we are not expecting a great deal from the negotiations.

We have no objection to the missile negotiations, but we have nothing to lose from the negotiations not being held.

If they continue playing such a trick, we cannot but discontinue the missile negotiations.

DPRK: Japan Urged To Ponder Consequences of Cooperation With ROK

SK2806030896 Pyongyang KCNA in English 0251 GMT 28 Jun 96

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — NODONG SINMUN today urges the Japanese authorities to ponder over the consequences to be entailed by their moves to build "new cooperative relations" with the [word indistinct] Korean puppets.

Japan and the South Korean puppets are these days holding one confab after another on an intensified "cooperation system" against the [passage indistinct] they must "establish new cooperative relations."

A news analyst of the paper says:

The talks between Japanese Prime Minister Hashimoto and the traitor Kim Yong-sam in Cheju Island are part of their moves.

By "building new cooperative relations" they chase their own profit each.

It is not accidental that any agreement on agenda items was not adopted nor was a joint document published at the talks in Cheju Island.

Clear is that "building new cooperative relations" is aimed at intensifying the anti-DPRK moves.

We put the following questions to the Japanese authorities who intend to take an active part in the anti-DPRK "cooperative system" of the South Korean puppets who are inherently opposing the nation and reunification:

Do they truly want to improve relations between Japan and the DPRK?

How can people judge the diplomatic stance of Japan, which wants to become a political power?

Will people not put the Japanese authorities in the same position with the South Korean puppets, truculent flunkeyists, traitors and human scums?

It is high time that the Japanese authorities reconsidered.

Their foolish cooperation with the South Korean puppets will bring them nothing good.

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DPRK Paper Denounces Kim Yong-sam's Trip to Front

SK2806020096 Pyongyang Korean Central Broadcasting Network in Korean 0855 GMT 27 Jun 96

[NODONG SINMUN 27 June commentary: "The Warmonger Is Digging His Own Grave"]

[FBIS Translated Text] The mouth of a venomous snake only spews poison; the mouth of the traitor Kim Yong-sam, who is frenzied with war fever, only spews bellicose harsh remarks that smell of gunpowder.

One of the examples is that, a few days ago, the puppet Kim Yong- sam crept out to the edge of the Military Demarcation Line [MDL] in the central front and gave an instruction on the perfect readiness of the puppet army, while talking about the recent situation and moves of the North. Kim Yong-sam, who is a mere colonial puppet, made a fuss by thoughtlessly wandering about the front not knowing his own situation. This shows how serious his war frenzy is.

The situation on the Korean peninsula continues to be a dangerous one like the eve of war. This is totally attributable to the criminal maneuver of the Kim Yong-sam warmongers group, which seeks a way out of its political crisis facing destruction from North-South confrontation and the provocation of a war of northward aggression.

If the puppets still have the slightest reason, they should repent of their crime of turning the DMZ south of the MDL into a starting position to attack the North, making public its provocative northward aggression operational plan, unceasingly staging the war fire game, and making the country's situation into an extremely dangerous one close to the brink of war, and they should stop such acts immediately.

Nevertheless, the traitor Kim Yong-sam again raised the advertising board [kwanggopan] of the fictitious threat of southward aggression, and gadded about the forefront of the MDL, instigating war frenzy. This is a vicious challenge against us, and a premeditated provocation to ignite the war of northward aggression.

Perhaps, the traitor Kim Yong-sam believed that if he dashed to the fore and breathlessly cried that the North was about to invade at any moment, the world's people would believe him. However, his clumsy attempt was a total loss. The entire world knows that there is not even a hint of southward aggression on the Korean peninsula, and that only the threat of northward aggression exists. His lies would not work on anyone.

Traitor Kim Yong-sam's brazen-faced acts to deceive the reality only more plainly reveal to the world how relentless and vicious a traitor and a warmonger he is. The traitor Kim Yong-sam tried to save his destiny of falling down to destruction by lifting a fire stick of war [chonjaeng pulmungchi] in his junket to the front, but he virtually only put one foot deeper into the abyss of destruction.

It is not accidental that the South Korean people criticize the traitor Kim Yong-sam's game to inspect the front as a reckless act like a puppet knowing no fear of a tiger, and an act of self- destruction of digging his own grave. The traitor Kim Yong-sam's junket to the front is to check the preparations for the premeditated five-phase operation 5027, a provocation plan of northward aggression devised in league with foreign forces, and an advertisement of the threat of southward aggression. It is obvious to everyone that he is trying to divert the people's hatred of him and thereby save the ruling crisis. This is proven by the fact that following puppet traitor Kim Yong-sam's junket to the front, he staged another war fire game by mobilizing the puppet army in a tactical exercise in Seoul.

The moth that likes fire is bound to burn to death. Traitor Kim Yong-sam had better bear in mind that if he continues reckless military actions against us, he would not avoid the destiny of the moth.

DPRK: Arrival of Food Aid From PRC, Cuba 24 Jun Noted

SK2706140596 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 Jun 96

[FBIS Translated Text] Twenty thousand tons of food, which the PRC Government offered to our country free of charge in relation to the flood damage, arrived in our country on 10 and 25 June.

Meanwhile, 100,000 dollars worth of medical instruments and medicine from the Cuban Government also arrived on 24 June.

The relief goods [hyopcho mulchadul] were conveyed to officials concerned in our country.

The relief goods that recently arrived are the expression of the sense of friendship toward our people from the Chinese and Cuban people, and encourage our people's struggle to overcome the great flood damage.

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DPRK: WPK Sends Greetings to Vietnamese Communist Party Congress

SK2806085796 Pyongyang KCNA in English 0845 GMT 28 Jun 96

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] sent a message of greetings to the 8th Congress of the Communist Party of Vietnam [CPV] on June 27.

The WPK Central Committee noted that the fraternal Vietnamese people have made a great advance in achieving the target of socialism under the leadership of the CPV. We are rejoiced over the achievements of the Communist Party and people of Vietnam, said the message.

We wish the congress success in its work, believing that the congress will be an important occasion in strengthening the party and achieving the prosperity of the country, pointed out the message.

The message expressed the belief that the friendly relations between the parties and peoples of the two countries will further strengthen and develop.

South Korea

ROK: Kim Sends Condolences to Clinton Over Saudi Bombing

SK2606104296 Seoul YONHAP in English 1021 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — President Kim Yong-sam on Wednesday afternoon sent a message to U.S. President Bill Clinton, expressing his deep condolences and consolation over the victimization of a large number of American service members in terrorist bombing in Saudi Arabia.

President Kim said in the message that he regrets and condemns in that such an atrocious act took place especially at this time when the United States and other world countries strive to bring about perpetual peace in the Middle East.

South Korea, a peace-loving country victimized by international terrorism, would closely cooperate with the Ustied States in the effort to eradicate terrorism in the world, the message said.

ROK: Trade Negotiators Urged To Discard 'Low-Profile' Style

SK2806023796 (Internet) The Digital Chosun Ilbo WWW in English 1151 GMT 27 Jun 96

[EDITORIAL: "Low-Profile in Trade Negotiations"]

[FBIS Transcribed Text] U.S. Commerce Secretary Mickey Kantor's visit to Seoul confirmed our expectations that he would press for broader, more comprehensive liberalization of the Korean market. He is, in fact, notorious(?) for his reputation as a tough negotiator and effective problem solver in U.S. trade circles. Considering the fact that he chose Korea as his first foreign trip since his inauguration as new commerce secretary and U.S. presidential elections are only a few months away, U.S. pressure on market liberalization seems to be increasing.

During a rather short stay of two days/one night, he met with President Kim and with a series of ministers ranging from trade and industries, construction and transportation, to information and communications. At each meeting, he relayed the U.S. request that Korea further open its markets. As these requests covered a wide- ranging number of industries and service sectors and included not only the additional liberalization of the communications market, but also participation in social indirect capital projects, the U.S. posture, thus, was stronger and more aggressive.

It is believed that the reason why U.S. pressure on Korea has been increasing in scope and variety on a daily basis is because it is judged that the Korean market holds much purchasing power and potential for high growth. It is quite natural for the U.S. to try to enter such a market, but we are concerned that its pressure on Korea has been excessively one-sided, with increasing pressure applied only to the Korean side.

Of course, trade negotiations are characterized by the objective of capitalizing on national interests first, but if this is pursued to an extreme, unfair and unjustifiable effects will result. Although it is applicable to only certain kinds of cars, Kantor still questioned the domestic tax system. He asked our government to put pressure on business enterprises to purchase American private communications equipment.

Korea, however, is in a critical situation in which the trade deficit is increasing due to slow exports and in which price destabilization is occurring due to slow growth. Korea's trade deficit with the U.S. now exceeds $4.3 billion and is expected to reach $10 billion by the end of the year. Our people's displeasure in this situation is that the U.S. has been applying exactly the same pressure on us to liberalize our markets as when

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we had a trade surplus. In fact, the pressure is now stronger and more unilateral than before.

Our growing trade deficit with the U.S. is also proof that we have many things to ask the U.S. However, there is no voice to be heard from the Korean trade negotiating team and no tangible results that our requests have been accepted. We need to stand tall in negotiations and open what we need to open as well as ask what we need to ask. We also need to discard the low-profile negotiating posture whether it concerns the content or formalities of trade negotiations.

ROK Dailies Express Disappointment Over Kantor's Visit

SK2706111896

[FBIS Report] The following is a compilation of two editorials carried by vernacular dailies on 27 June regarding the results of the visit to the ROK by U.S. Secretary of Commerce Mickey Kantor.

HANGUK ILBO carried on page 3 an 800-word editorial entitled "Salesman Mickey Kantor." The editorial starts off by speaking highly of Mickey Kantor as a "salesman to sell U.S. automobiles." It goes on to explain how sales of U.S. automobiles in the ROK domestic market increased by 80 percent this year, attributing this to the efforts made by Secretary Kantor. The editorial notes that according to the United States, currently there are no "serious trade issues between the ROK and the United States," though Washington still regards the ROK as the most "closed" country in the world as regards the automobile market. The editorial continues to talk about "pending issues" with the ROK, noting that due to the ROK being unprepared for opening up, the domestic market is now filled with foreign goods; small and medium businesses are going bankrupt; and the people are consuming goods excessively, bringing about a crisis in the ROK economy. It also expresses "disappointment" over how the ROK Government's trade, industry, and energy and construction and transportation ministers bustled about to meet Secretary Kantor. The editorial concludes by noting that Secretary Kantor hurt the feelings of the Korean people because he asked the ROK ministers to hold meetings with him at Kantor's hotel rather than meeting them at their offices. However, what hurt their feelings more was the attitude of ROK bureaucrats who could not even play the role of "salesman" for their own country's interests.

TONG-A ILBO carried on page 3 a 750-word editorial entitled "Is the ROK That Easy To Deal With?" The editorial begins by noting that during Secretary Kantor's short visit to the ROK, he met President Kim Yong-sam as well as the trade, industry, and energy, the information and communications, and the construction and transportation ministers, pressuring them to further open up the ROK market to U.S. goods. The editorial points out that his demand was "too much and impertinent," coming at a time when Kantor's visit was supposedly only a courtesy call. It goes on to say that Secretary Kantor's demands "ignored the principle of free trade and reciprocity," and is in part an internal intervention. The editorial also criticizes the government's response, which was "very disappointing." It concludes by noting that the ROK should not unilaterally yield to U.S. demands, but should take countermeasures through persuasive trade theories.

ROK: U.S. Ambassador Urges 'Positive Engagement' With DPRK

SK2806115796 Seoul YONHAP in English 1153 GMT 28 Jun 96

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — U.S. Ambassador to South Korea James Laney on Friday again called for positive engagement with North Korea in light of its current economic difficulties.

"Today we face a new set of risks with regard to North Korea and we need to devise a new form of risk management to deal with those risks," he said, stating that such a strategy should be framed in light of the North's weaknesses and isolation.

Seoul and Washington should encourage the North to ease its isolation, persuade it to adopt economic and political reforms and to "plot a path toward eventual unification," he pointed out.

"Failure to engage the North now could lead eventually to something like the crisis atmosphere of 1994 (when the North threatened war)."

The American diplomat was giving a luncheon address at the conference "International Economic Implications of Korean Unification" at the Seoul Inter-Continental Hotel.

Engagement with North Korea resulted in the 1994 basic framework agreement, in which the North promised to drop its nuclear program and removed a grave threat to the security of the Asia region, he said.

The North has displayed some willingness to change, Laney noted, including the signing and honoring thus far of the 1994 basic framework agreement, its cooperation with the United States in recovery operations for the remains of U.S. soldiers killed in the Korean war, and its recent appeal for food assistance for flood relief.

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Laney again called on the North to accept the proposed four-way talks for permanent peace on the Korean peninsula.

North Korea is not particularly deserving of any favors in light of its past behavior, but its collapse would not be in the interests of either South Korea or the United States, he said.

"I don't think any of us wants to see North Korea in a position where it has nothing to lose."

Laney also blamed the Pyongyang leadership for causing the sufferings of the North Korean people, saying, "Their belligerence is the root cause of tension on this peninsula."

ROK: U.S.-DPRK 'Closed-Door' Meeting Held on 4-Way Talks

SK2806014796 Seoul YONHAP in English 0136 GMT 28 Jun 96
— Semioffical News Agency of the ROK

[FBIS Transcribed Text] Washington, June 27 (YONHAP) — U.S. and North Korean officials discussed "practical problems" stemming from their relations in a closed-door meeting here Wednesday afternoon, U.S. Government sources said Thursday.

Yi Kon, deputy head of the North Korean Foreign Ministry's America Bureau now visiting the U.S. capital, met a group of State Department officials, including David Brown, head of the Korea desk, Dick Christenson, deputy head of the desk, and Ken Quinones, Intelligence and Research official in charge of the Korean peninsula.

They reportedly had an in-depth discussion about practical problems arising from Washington-Pyongyang relations, including the four-way talks on establishing a permanent peace regime on the Korean peninsula that was proposed by Washington and Seoul, at the working-level meeting, a source said.

The State Department arranged the meeting so that there could be general discussions free from the constraints imposed by an agenda, he said.

Minister Han Song-yol of the North Korean mission to the United Nations reportedly attended the meeting, but that has not been confirmed.

Another source said Yi is an expert on American affairs, having participated in a symposium held in Michigan in 1992, and added that he has a reputation for being an astute diplomatic negotiator.

Yi reportedly discussed Pyongyang's position on the four-way talks and the North Korea-U.S. nuclear agreement reached in Geneva in 1994 during his keynote speech at the closed-door seminar held at George Washington University Wednesday.

ROK Daily Views 'Serious Discord' Over Missile Sales to Egypt

SK2706110796 Seoul CHUNGANG ILBO in Korean 27 Jun 96 p 4

[Report by Pae Myong-pok]

[FBIS Translated Text] It was learned that the State Department is facing serious discord [simgakhan kaldung] with other offices in the U.S. Government surrounding the North Korea missile export issue, which is attracting the people's attention.

THE WASHINGTON TIMES, quoting a secret Central Intelligence Agency report it had exclusively obtained, reported on 21 June: "North Korea has secretly delivered components of Scud-C missiles to Egypt on at least seven occasions in late March and April." The report created a sensation within the State Department.

The next day, State Department Spokesman Nicholas Burns spent nearly half of his regular briefing on this question, which was exceptional.

While evading any confirmation of the truth of the report, he constantly expressed criticism and indignation [pinangwa punno] against "someone else" within the government who leaked the secret report to the press. Such extreme phrases were used as "a mean act intentionally perpetrated to stab the State Department in the back [kukmuburul kallo tchirugi wihae kouiro chojiron piyolhan haeingwi]," an "illegal act by someone who knows nothing about foreign policy," and an "offensive act to uselessly create confusion between government offices."

What organization the ringleader belongs to, and who leaked the secret report, have not been confirmed. Spokesman Burns stated: "Although I can make a guess, I cannot make it public." He added: "It is certain it was not the State Department."

Rumors say it was CIA or the Defense Intelligence Agency within the Defense Department. However, one thing for certain is that whoever leaked the secret report is discontent with the State Department's policy toward North Korea.

The United States and North Korea held the first round of missile export control negotiations in Berlin late last April, and are expected to hold a second round of negotiations next month.

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If the content of the report is then true, North Korea, while pretending to respond to negotiations with the United States, was running amok exporting missile.

U.S. domestic law formulated in 1990 according to the Missile Technology Control Regime specifies that a two-year-period of economic sanctions will be imposed on nations illegally importing or exporting missile technology. In the event this report proves true, economic sanctions against North Korea, a country already subject to sanctions, should be strengthened or extended. In addition, economic sanctions should be placed against Egypt, a U.S. ally. Indeed, this will embarrass the State Department, which advocates a "policy of magnanimity [poyong chongchaek]."

It is an open strategy for the State Department to use relaxation of economic sanctions as "the lever" to achieve North Korea's abandonment of missile exports. This secret, which the State Department kept hidden for strategic reasons despite its awareness of the fact, has now been exposed to the public. As a result, the State Department has lost its lever against North Korea because its justification, as a negotiation card for relaxing sanctions against North Korea, no longer exists.

People point out that the sensation surrounding the leakage of the secret report is a clear example showing the delicate discord between hardline and moderate factions within the administration.

Meanwhile, the ROK can hardly eliminate doubts that the State Department might have carried out a series of negotiations with North Korea in such a way as to ignore North Korea's nuclear problem in spite of its being aware of the existence of North Korea's nuclear weapons.

ROK Daily: DPRK's 'Illegal Acts' Pose 'Dilemma' for U.S.

SK2806063796 Seoul CHOSON ILBO in Korean 28 Jun 96 p 3

[Article by reporter Ku Song-chae: "'Dilemma' in U.S.-North Korea Relations"]

[FBIS Translated Text] North Korea's continued "illegal acts" have posed a dilemma to North Korea-U.S. relations. The United States is now at a crossroads where it should choose between imposing sanctions on North Korea according to the pertinent law and taking them into political consideration.

The revelation of a CIA report noting that North Korea had sold missiles and missiles launchers to Egypt has posed a dilemma for the United States. The United States, which plays a leading role in the Missile Technology Control Regime, is not in a position to look the other way.

Also, there is speculation that the United States, even though it had known all about the North Korean missile exports, may have kept silent for fear that disclosing the information would affect U.S.- North Korea relations.

The economic impact of the sanctions against North Korea is minimal.

However, the political significance is enormous. In 1992, the United States imposed sanctions on North Korea for two years for selling missile parts and other goods to Iran and Syria. Of course, the sanctions put a stumbling block in the way of creating an environment for improving relations with North Korea.

The continued revelations of North Korea's involvement in circulating counterfeit dollars also gave the United States a headache. The Khasan Station customs office in the Russian Maritime Province confiscated $10,000 in counterfeit money on 13 June. The bogus dollars case surely is a factor determining the future of U.S.-North Korea relations, even though it concerns the U.S. Treasury Department. The U.S. public may ask why the administration seeks to improve relations with a country that prints bogus dollars in large quantities.

North Korea appears to seek to have the United States significantly ease its sanctions by showing sincerity in negotiations on the remains [of soldiers missing in action from the Korean war] and missiles. If some progress is made on the issue of U.S. prisoners of war who may be alive in North Korea, the United States may be able to lift the trade sanctions under the pretext of seeking a soft landing for North Korea.

The United States says it is trying to "find out the true state" of the North Korean crimes, adding that it would take appropriate measures when the true state is revealed. North Korea-U.S. relations may take a different shape depending on what measures will be taken. However, it is still doubtful whether there is a fundamental change in the U.S.-North Korea strive to establish closer ties.

ROK: DPRK Official: Atmosphere for N-S Talks Not Promoted

SK2806081196 Seoul HANGUK ILBO in Korean 28 Jun 96 p 2

[Report by Washington correspondent Yi Sang-sok]

[FBIS Translated Text] On 26 June at George Washington University in Washington, Yi Kon, head of the American affairs section of the North Korean Ministry of Foreign Affairs, who is now visiting the United

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States, held an informal meeting with Korean peninsula experts. A participant at the meeting said he stated it would be difficult to resume North-South dialogue at present due to the controversy regarding condolences for Kim Il-song's death.

The participant, who declined to be named, said: "Yi Kon said that no atmosphere for North-South dialogue has been promoted given the North Korean's sentiment toward the ROK Government."

ROK: Editorial Criticizes DPRK for Giving Rice Aid to Military

SK2606103496 Seoul HANGUK ILBO in Korean 26 Jun 96 p 3

[Editorial: "Our Rice 'Consumed by the Military'"]

[FBIS Translated Text] Our proverb "getting slapped for giving help" means betrayal. President Kim Yong-sam has said that the North Korean military consumed almost all of the 150,000 tonnes of rice which the South Korean Government donated last summer to help North Korean people who were suffering from a grain shortage. This reminds us of the above proverb. Our worry has proven to be a reality. We cannot help but feel betrayed and shocked over the fact that North Korea trampled on our compatriotic love and humanitarianism.

However, if we ponder this matter closely, we can conclude that the ROK Government made a few mistakes when sending grain to North Korea, and, as a result, we virtually tossed a massive amount of rice into the tiger's mouth. The first mistake was that the negotiations on rice aid were held in an abnormal way. It was a mistake from the start to appoint the vice minister of finance and economy head of the negotiating delegation, disregarding the Ministry of National Unification, which is the ministry in charge of North Korean affairs.

Next, our side did not provide a series of transparency devices for our side to participate in and directly or indirectly confirm that the rice was transported and distributed to the people. It was also mistake for us not to receive written documentation guaranteeing that the North would not use the rice for military consumption. The government overlooked these most important devices and had excessively high expectations about the possibility of discussions on summit talks and the suspension of slander.

However, far from holding discussions on the anticipated summit talks, North Korea insisted on excluding the South Korean Government and continued to slander the South. Moreover, it forced the ship transporting rice to hoist the North Korean flag and even detained our crewmen. In a nutshell, they received the enormous amount of 150,000 tonnes of rice and secretly used it for military consumption. Even though one year has passed, North Korea has not uttered a single word in writing as to where it was used. This is the true appearance of the North Korean system.

Ultimately, the government has once again learned another expensive lesson through trial and error by providing 150,000 tonnes of rice to the North. This lesson must be thoroughly applied in the future when assisting the North at home and abroad. First, rice assistance at the government level must be carried out along with North Korea's acceptance of the four-way talks, a resumption in South-North dialogue, and a request from the North for rice assistance. Assistance must be carried out when accompanied by a device confirming that the rice is being distributed directly to the hungry people.

Along with this, the international community, including the United Nations, the United States, and Japan, are embracing North Korea, aimed at presidential elections and domestic political necessity and increasing food assistance in accordance with their policy on approaching the North. We must widely inform the international community of the fact that North Korea used the rice for military consumption, and along with humanitarian assistance, we must urge them to confirm that the food and relief goods for the North Korean people are being delivered without fail.

Therefore, we must show the Kim Chong-il system that it may be able to deceive South Korea and the international community once, but not twice or three times.

If North Korea wants to continue to receive rice assistance from South Korea and the international community, it must first return the rice it used for military consumption to the people. Next, it should come forward with an open attitude revealing and confirming its food shortage and distribution situation in a candid way to the ROK, the United States, and Japan. They must know that if they do this, they will receive additional rice assistance and be able to maintain their system.

ROK: DPRK Reportedly To Reduce Food Rations for Soldiers

SK2806070396 Seoul HANGYORE SINMUN in Korean 28 Jun 96 p 3

[FBIS Translated Text] North Korea reportedly plans to significantly reduce food rations for soldiers, who have received normal grain supplies. An ROK Government official said on 27 June: "We have heard North Korea told officials of the U.S. State Department's foreign

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aid office and Carter Center, who were visiting North Korea, that it would have no choice but to significantly reduce food rations for soldiers."

ROK President: Unification Possible in 'Not Too Distant Future'

SK2806104596 Seoul YONHAP in English 0950 GMT 28 Jun 96

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — President Kim Yong-sam predicted Friday national unification will be realized in the not too distant future.

"North Korea talks big by words only... We will be able to repel them," the president said before a group of model service members and their spouses at a Chongwadae [presidential offices] tea party.

Stating that peace can be safeguarded only when there is due strength, President Kim stressed that the paramount duty incumbent upon the nation is to safeguard the territory.

He then thanked the service members who he said have chosen the difficult career of military service.

Defense Minister Yi Yang-ho and SEOUL SINMUN President Son Chu- hwan were also present at the reception attended by 62 model non- commissioned officers of the three services and their spouses.

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Burma

Burma: Article Warns Against Political Miscalculation

BK2706123596 Rangoon KYEMON in Burmese 24 Jun 96 p 5

[Article by Tun Myint (Shwehintha): "Let's Not Miscalculate Politically"]

[FBIS Translated Excerpt] I have used the headline "Let's not miscalculate politically in regard to Myanmar [Burma]," because there are some persons who cannot analyze a simple nonpolitical matter. If you cannot fathom a simple matter properly, how can you possibly understand your country's more complicated political issues? For example, the SLORC [State Law and Order Restoration Council] military government is afraid of me; isolate Myanmar; impose sanctions on Myanmar. These statements involve ordinary issues and the answer is clear if you know how to think or analyze. I have frequently read fabricated foreign news noting which country, which organization, or which person has debated whether to isolate Myanmar or not (not to isolate is mentioned purely for its own sake), whether to impose sanctions or not. It is all dubious. Did they really say these things or are they merely the concoctions of low-level journalists?

Some Myanmar [Burmese] people just follow what others do. May I analyze the idea of isolating Myanmar and imposing sanctions against it? The author is sick and tired of hearing such superfluous words. Myanmar has stayed secluded for 26 to 30 years. The reader should judge if its right or wrong. I merely want to clarify the assertions. Don't think I am being bold; but educated persons should think wisely. Here are some words that the SLORC uttered unequivocally soon after they took over power: "Any country that does not agree can close their embassy, pack, and go". I think you will all remember these words. It is now clear who returned. Myanmar could neither be isolated nor sanctioned. Did the author realize that? It is not a crime not to calculate in regard to something that does not interest you, but you should not be "easily swayed."

I would like to analyze the words: the military government (past and present) is afraid of us. The military government has overcome many problems or crises since 1959-60 and knows how to handle them. This very basic fact can not be overlooked. Think for yourself. How can anyone understand Myanmar's political, economic, and social matters if one can not grasp this simple fact? If you think this is irrelevant, then it is time to consider your self-respect. It is wrong to think foreigners are more brilliant and admirable when you are living in Myanmar. The Myanmar people have crossed a political path that no other country in the world has experienced. So, just think how brilliant the Myanmar people are. The gurus of the world have acknowledged that you judge a person's ability by how that person faces difficulties and solves various problems. Only people in unintelligent circles will judge a person's aptitude by looking at skyscrapers that you would not find even in the memory banks of modern computers.

Myanmar politics today can be divided into four sections — the SLORC government, the National Convention, Daw Suu Kyi, and the current political situation. There is nothing much to say about the SLORC government and the National Convention since everything has been said in many articles and commentaries. But the Daw Suu Kyi section faces a dilemma. The SLORC leaders have consideration for Daw Suu Kyi because she is the daughter of our national leader [General Aung San]. The country seemed more stable when Daw Suu Kyi was under house arrest and most people had almost forgotten her. On the other hand, Daw Suu Kyi became very thin while she was under house arrest. The government cleverly let the people know this by publishing her photograph in the newspapers — the word cleverly is very important here. Later, Daw Suu Kyi's restrictions were lifted. Think carefully. Is this a power-crazed government that showed political courtesy to Daw Suu Kyi? If you think this showed fear on the SLORC government's part, then it is sheer political malice. So politicians beware. I have already analyzed the military's experience. The opinion that the SLORC government's actions are insincere and done out of fear indicates resentment and amounts to nothing, except to destabilize the country. It should be seen in this way.

No matter how foreign-educated and experienced Daw Suu Kyi is, we need only Myanmar political experience in Myanmar. I would like to reiterate: Do not look down on Myanmar. [Passage omitted explaining an incident during the disturbances]

The idea behind the writing of this article is to remind the Myanmar people "not to miscalculate politics." Do the foreign broadcasting stations, news media, and the so-called domestic politicians, who are using Daw Suu Kyi as a guinea pig, know how to calculate politics? No one has ever succeeded in obtaining power in Myanmar by creating countless problems (there never really have been any). I was amazed to see the encouragement for and the attempt to seek a confrontational approach. Those who encouraged confrontation are so dumb they did not analyze the real military situation and attempted to follow instructions from abroad. The real victims are the entire people and the country. Do you think it can be said that this type of person can calculate politics? In fact, they can fathom the situation. They

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put a guinea pig such as the politically inexperienced Daw Suu Kyi in the forefront because they do not have to face the consequences. Daw Suu Kyi should realize, since nothing has happened, that she has been used. Being inexperienced, she tends to believe in the fabrications of foreign broadcasting stations. Go and look at the broadcasters — I don't know whether it's a good idea or not; they are old and aged. It's obvious that they are knowingly instigating and meddling with the unachievable. Their reason for deliberately doing this is to exploit the country's unstable situation. They were responsible for all the instabilities during the past 26 years in which the people were the sufferers. How can you enter their names into the honor roll?

One success can be attributed though — the change from the one-party system. That victory was not over the armed forces. Think carefully. It was made possible because that party leader revealed his desire, otherwise it would not have happened. What I would like to say is: Those who are inspired to confront the military government, knowing that the Myanmar military government has never been overtly or covertly defeated, should think carefully whether it is beneficial for them. If you have not calculated this, then it is best not to talk about politics.

Today, the SLORC government has promulgated a law defending the National Convention. You may think the constitution-writing process is long; however, it is in fact shorter than the previous government's constitution preparation time. The State government is seen slowly fulfilling the national objectives and simultaneously holding the National Convention and performing nation-building tasks. As we can observe the SLORC government's genuine activities, I feel that the people should not be too unreasonably eager. I think I have the right to air my views as an ordinary citizen. All citizens need to cooperate to achieve peace and stability in our country. Although the instability of the country means nothing to unscrupulous persons it is going to be doubly painful for citizens like us. There has been evidence of pain and suffering in Myanmar politics. Deceptive persons have become prosperous into the bargain. May I conclude by saying it is high time to realize the truth.

Burma: Article Applauds Resignation of NLD MP's

BK2706151096 Rangoon THE NEW LIGHT OF MYANMAR in English 27 Jun 96 p 5

[Article by Maung Pwint Lin: "An Honouring Welcome Saying 'Sadhu'"]

[FBIS Transcribed Text] The most basic, the most important and the most primary needs for human beings are food, clothing and shelter. They are the vital needs for everyone. The right to strive for them, the right to strive for their betterment (to raise their standard of living) is the birthright of everyone. It is the most basic human right.

People have to strive for their food, clothing and shelter by themselves. The matter of food, clothing and shelter of all the citizens of a country is an affair of that country (or) politics of that country. As food, clothing and shelter of the citizens constitute the vital necessity, politics that strive for them constitute the most important political endeavour.

Carrying out the affairs of the State, and the affairs of the people is striving to meet the food, clothing and shelter needs of the people. Politics involving the most basic and the most primary issues of food, clothing and shelter concern all the citizens. The rights such as those for organization, association, expression of sentiments and procession are means for fulfilling the food, clothing and shelter needs — branches of the basic politics.

There are those who strive with goodwill for betterment of food, clothing and shelter conditions for general weal. They are those who serve the politicians. They found organizations and strive collectively. Their organizations are called political parties. Some who wish to serve with pure goodwill found public service social organizations that are not political parties.

Politicians, by means of the strength of their party, lay down policies and programmes to concretise their intentions towards the people; they present them to the people and organize them to get win [as published] support from them. Politicians and their parties elected by vote by the people have to serve the interests of the people in accord with policies and programmes they have laid down.

The party that practically carries out the programmes pledged to the people when it is canvassing for votes is given continued support by the people. Parties and politicians that fail to live up to their promises are cast aside. When they work only for their personal and partisan interests rather than the people's interests, the people become disgusted with them. The people's electing politicians and parties is just assigning them task to work for the wellbeing of the people — not empowering them to do whatever they want.

The realm of party politics is an admixture of good and bad. There are differences such as one party being leftist and another being rightist, one leaning east and another leaning west. Leftist parties want to have variations in their left isms, as there are variations in right isms as well. The more diverse the parties the more diverse the

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isms. When isms and parties become too diverse, the people often find it difficult to choose. And many times they make wrong choices.

When overwhelmed by excessive selfishness, suffocated by greed, anger, delusion and pride, and enveloped by ignorance, in canvassing for votes of the people with presentations of their programmes, politicians and parties tend to resort to unfair and deceptive tactics, make promises they cannot keep, swindle, steal or buy votes, and commit violences and whispering campaigns to win in the elections. It could often lead to use of force and killing. Such ugly features of elections could be seen in Myanmar [Burma] as well as in many countries of the world.

Those who want to serve the interests of the people with pure goodwill, realizing that they could not achieve much by striving individually and that they could make good headway by endeavouring collectively found political parties or join the already founded ones. In many cases, though the party's policies, progammes and political ideologies are good; the party perishes because of the participants' falsity, self-seeking, corruption and misconduct. Sometimes there are also instances in which one, after joining a political party because one wants to honestly serve general weal, finds out the party's falsity and becomes disgusted.

One thing which, most of all, should not be done by political leaders, politicians and political parties is to submit, to dictates from abroad. Politics of dependence on external elements and obedience to dictates from abroad is politics of the loneliest form, devoid of any respectability. Foreign countries and external elements are ones that look only for their interests. Politicians that are menials of those elements degenerate into being first stooges, axe-handles.

Most of those who became active in politics with strong desire for freedom of the country and the people in such times as those of national struggle for independence of the country are devoid of blemish. They are patriots with strong love for the nation and goodwill for one's race and religion.

Even in those times, there have been a multitude of elements subservient to colonialism. As there are such elements, there are also parties subservient to colonialism. Such a party is the enemy of national independence, an obstruction to national independence and a destructive party harming the interests of the people.

In post-independence Myanmar, too, political ideologies imported from abroad and parties of politicians submitting to dictates from abroad proliferated, with resultant destruction of stability in the country. The people were unable to enjoy the taste of Independence. The time was spent fighting one another while following dictates from aboard. Because of politicians making moves as desired by those aboard, the situation deteriorated almost to the point of losing Independence again.

The four eights upheaval was a big move for destruction of the nation by those inside the country that were bent only on getting power and by elements of neo-colonialism aboard that were out to destroy Myanmar Naing-Ngan [Burma]. Arguing and resolving issues in Myanmar spirit, with Myanmar views among Myanmars is something that should be, but once there comes in influence from abroad, there would come about deviation from the national cause.

Under the government of the State Law and Order Restoration Council, when permission was given for formation of parties, they formed as many as 235 parties. They were variegated such as leftist, rightist, ones that had no definite policy or programme, ones that could not show party membership strength and so on. Among them were Eight-Eight parties that depended on external elements, that submitted to dictates from abroad and that had connections abroad.

Though some party members took part with national outlook, other party numbers and party leadership in certain instances were representative of external elements, obeying the dictates from abroad, depending on external elements Suu Kyi who lived abroad for 28 years and married a foreigner turned out to be a puppet of external elements relying on external elements, and submitting to dictates from abroad, it was proved by her own actions. Self-seekers who want to get power as dependents of Suu Kyi are in audience around her. The National League for Democracy [NLD] stuck with Suu Kyi's trade mark turns out to be a party submitting to dictates from abroad.

Suu Kyi, who is chanting democracy, has been saying the people have not yet got democracy synonymously as saying she has not yet got power. Though mouthing democracy she is in practice striving for NLD one party power rule and Suu Kyi dictatorship. Suu Kyi who overnight became an instant politician dropping from the sky because of the four eights [8-8-88] disturbances seems to regard the four eights disturbances as her benefactor.

Suu Kyi came to strive to reopen the hellish chapter of the four eights disturbances to get power into her hands. The people cannot let the progress of Myanmar Ngaing-Ngan that has become peaceful and tranquil and is getting developed all round be marred. The people

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have no wish to go down the abyss of the four eights again.

That the people are disgusted with Suu Kyi and neocolonialists abroad manipulating her is being demonstrated by the people's desire as expressed by the mass rallies. The Myanmars also know that democracy being mouthed by neocolonialists is only to control, bully and dominate Myanmar Naing-Ngan.

The National Convention is being held successfully for the emergence of a Constitution for peaceful and systematic transfer of responsibilities of the State by the State Law and Order Restoration Council. The people have held mass rallies demonstrating their support for successful holding of the National Convention.

Going against the people's desire, Suu Kyi acted to carry out the dictates from abroad to convene Hluttaw meeting and draw a Constitution in parallel. Consequently the State Law and Order Restoration Council had to issue Law No. 5/96 dated 7 June 1996. This law is titled "The Law Protecting the Peaceful and Systematic Transfer of State Responsibility and the Successful Performance of the Functions of the National Convention against Disturbances and Oppositions."

In the Law chapter on prohibitions, it is prescribed that no one or no organization shall violate either directly or indirectly any of the following prohibitions:

(a) inciting, demonstrating, delivering speeches, making oral or written statements and disseminating in order to undermine the stability of the State, community peace and tranquillity and prevalence of law and order;

(b) inciting, delivering speeches, making oral or written statements and disseminating in order to undermine national reconsolidation,

(c) disturbing, destroying, obstructing, inciting, delivering speeches, making oral or written statements and disseminating in order to undermine, belittle and make people misunderstand the functions being carried out by the National Convention for the emergence of a firm and enduring Constitution;

(d) carrying out the functions of the National Convention or drafting and disseminating the Constitution of the State without lawful authorization,

(e) attempting or abetting the violating of any of the above prohibitions.

In the chapter on penalties, it is prescribed that:

4. Whoever violates any prohibition contained in section 3 shall, on conviction be punished with imprisonment for a term of a minimum of (5) years to a maximum of (20) years and may also be liable to fine.

5. If any organization or any person on the arrangement or abetment of any organization violates any prohibition contained in section 3, such organization may be —

(a) suspended for a period to be specified;

(b) abolished; or declared as an unlawful association under the Unlawful Associations' Law.

6. All funds and property of an organization against which action is taken under Section 5 may also be confiscated.

I realize that this law has been enacted in accord with the people's desire and in accord with objective need of Myanmar Naing-Ngan today. It is so because it is clear that the burning of garbage in front of Suu Kyi's house on University Avenue every Saturday and Sunday is aimed at burning down the pyathat (multi-tiered spire-like roof) that is the State.

As taught by Madeleine Albright, Suu Kyi had ordered the walkout of 86 delegates from the National League for Democracy who had been participating in the National Convention for three whole years. The delegates from Dedaye and Taungdwingyi who had to come away from the convention in a disgruntled state of mind stood up and said it was wrong to boycott the Convention. The ones who gave this advice were denied democracy. They were barked down.

Neocolonialists are calling the perpetrations for their domination of Myanmar efforts for flourishing of democracy in Myanmar. Suu Kyi too is calling efforts to make herself a dictator and puppet of the West in Myanmar efforts to get democracy in Myanmar. For such domination they are defining disturbances and violations of law as human rights.

The true situation of NLD followers who are having to carry Suu Kyi on their heads for her to become a dictator should be reviewed. They are so like ones having to let someone stand on their heads for that someone to reach up to the verandah of the upper floor. If the one standing on the head says one is unable to reach up to the verandah, they have to step onto a pile of bricks. If that still won't do, they have to stand on their toes. At that time the one reaching up sees a tiger coming and heaves oneself up to get onto the verandah and escapes. The ones down below have no time to flee and get devoured by the tiger.

I guess those at the NLD HQ [headquarters] who could see the truth have come to see that the ones having to violate laws and defy rules, directives and orders at great risk are themselves whereas the one who would get onto the verandah, get powers and win prizes from abroad is the one standing on their heads, while the ones

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who would suffer action taken for violation of laws are only themselves.

Of late, there have been many who resigned from being elected Pyithu Hluttaw [People's Assembly] representatives ostensibly because of health, because of loss of interest in party politics, because of both, or because they have resigned from the National League for Democracy. The Multi-Party Democracy General Elections Commission has been issuing announcements permitting them to resign in accord with Section (11) Sub-section (4) of the Pyithu Hluttaw Election Law.

It is not so bad if those who pursue party politics for various reasons or with goodwill to the people get good parties and good party leaders. If they get such a leader as one who obeys the dictates from abroad and betrays national interests and looks only for one's personal interests, they will become abetting axe-handles and self-seekers themselves. They often come to realize they are having to take risks foolishly for the good of such leaders. Those who come into the party simply to further their personal interests, to get good positions and enjoy opportunities right from the start, are not wont to repent.

As for those who see light in time and break free from being betrayers of national interests, from being henchmen of those obeying dictates from abroad, from being violators of the law, and from being deviators from the will of the people, I guarantee the mass of the people will say 'sadhu' [salutation] three times and I heartily hail them, welcome them, thank them and honour them.

Burma: KNU Delegation Departs To Hold Talks With SLORC

BK2706155796 London BBC in Burmese to Burma 1345 GMT 27 Jun 96

[FBIS Translated Text] The Karen National Union, KNU, delegation has left to hold talks with the State Law and Order Restoration Council [SLORC] in Moulmein. The seven-member KNU delegation was led by General Tamalabaw. The SLORC delegation will be led by Major General Ket Sein, commander of southeast military command. This will be the third round of talks between the SLORC and the KNU. They will continue to discuss matters unresolved at previous meetings.

The KNU's Press Release No. 5 states that Burma is not a peaceful country and all political forces involved should hold dialogue to achieve peace and a true national reconciliation. The KNU will continue to hold negotiations with the SLORC to solve all existing problems. These negotiations will be based on genuine goodwill.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Authorities Seize Vietnamese, Indonesian Fishing Boats

BK2806080596 Kuala Lumpur THE STAR in English 28 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuching — The state Marine Fisheries Department seized four Indonesian fishing boats suspected of fishing illegally in Malaysian waters off Tanjung Kidurong, Bintulu, earlier this week.

The boats, with 12 fishermen on board, were intercepted by the department's patrol boats on Monday [24 June], said department director Abdul Shukor Abdul Hamid.

He said the fishermen were expected to be charged in court soon.

The fishermen's catch had been auctioned for about RM [Malaysian ringgit] 2,700, he said.

Abdul Shukor said under Ops Hulubalang [Soldiers Operations] the department seized four Vietnamese fishing vessels with 29 fishermen off Mukah last week.

Malaysia: Last Transit Camp for SRV Refugees Closed

BK2506113696 Kuala Lumpur Voice of Malaysia in English 0800 GMT 25 Jun 96

[FBIS Transcribed Text] Malaysia today closed the Sungai Besi Transit Camp, once home to tens of thousands of Vietnamese illegal immigrants since 1978, marking an end to the boat people episode in the country. The official closure of the last boat people camp was marked by the symbolic lowering of the flags of the United Nations High Commissioner for Refugees, UNHCR, and the Malaysian Red Crescent Society, MRCS. The ceremony paved the way for the completion of the Comprehensive Plan of Action in Malaysia under which all Indochinese refugees must be repatriated by 30 June, the deadline set by the UNHCR.

Foreign Minister Datuk Abdullah Ahmad Badawi presided at the official closing of the camp. Present were UN Assistant High Commissioner for Refugees Sergio Vieira de Mello, UNHCR Representative for Malaysia Erika Foeller, and MRCS Chairman Tun Hamid Omar. MRCS is the main agency helping the UNHCR in tackling the problem of Vietnamese boat people who began landing in Malaysia after the fall of Saigon, now Ho Chi Minh City, in 1975.

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Malaysia: Mahathir Regrets Bakun Project 'Being Kicked About'

BK2806083396 Kuala Lumpur THE STAR in English 28 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Kuala Lumpur — Datuk Sri Dr. Mahathir Mohamed has expressed regret that the Bakun hydroelectric dam project is being kicked about like a football when delays cost the nation money.

The prime minister said the national project should not be delayed because it was meant to control the rising cost of electricity.

He also accused foreign non-governmental organisations [NGOs] of instigating their local counterparts into dragging the matter to court. [passage omitted covered by referent item]

Yesterday, the Sarawak government and the Natural Resources and Environment Board (NREB) announced that they would file their appeal today against the judgment.

The decision was taken at the state Cabinet meeting chaired by Chief Minister Tan Sri Abdul Taib Mahmud.

Speaking at the Sultan Abdul Aziz Shah International Airport here on his return from vacation, Dr. Mahathir said:

"Twenty years ago, the cost of the project was estimated at RM [Malaysian ringgit] 10 billion. But, now it is RM15 billion. If we delay any longer, the cost will go up.

"I feel sad because the project is being kicked about like a football when it is a national project which will benefit the people, especially the poor."

Dr. Mahathir said the government could only afford the?mega project by privatising it, but noted that it had been made to look as though "I have enriched a friend of mine... Tan Sri Ting Pek Khiing."

The prime minister said it was the NGOs who took the matter to court after taking the cue from their foreign counterparts who were envious of the nation's progress.

"It is about time our local NGOs think of national interest. When the other countries cut their trees to build their dams to get cheap energy for the benefit of the people, they had no problems with NGOS."

Expressing surprise with NGOs which wanted the dam project to come to a hal?, he said they should compensate Ekran [contractor] if the court's decision was overturned.

"They are totally irresponsible. They seem to be protesting against projects such as airports or housing and even seem to want to condemn Ting. I support the NGOs when they do the right thing," he said.

He said when the Federal Government gave the authority to approve the EIA [Environmental Investigation Assessment] to Sarawak, it indicated that it had given its agreement to the state government for the project.

"Surely, the Federal Government would agree . . . (but) it (the delay) is costing us money. Millions of dollars will be lost because of some formality."

He said the majority of the people in the affected area supported the project and would be duly compensated with jobs and land.

"They are getting RM300 million in compensation and this is more money than they will ever make in their lifetime," he said.

To another question, he said there was no necessity to stop work because the project had not commenced.

Dr. Mahathir also said there were those who claimed that the hitch was due to a purported disagreement between him and Deputy Prime Minister Datuk Sri Anwar Ibrahim, but dismissed such talk, saying: "In the Cabinet, we all act in concert."

Singapore

Singapore: 'Crude and Rude' U.S. Rejection of UN Chief Viewed

BK2806103296 Singapore THE STRAITS TIMES in English 28 Jun 96

[From the "Invalid Rule" column by Felix Soh: "Public Rejection of UN Chief by US is Crude and Rude" — received via Internet]

[FBIS Transcribed Text] The tussle for the United Nations' top post could well degenerate into a rancorous affair now that the United States has laid its anti-Butrus-Butrus-Ghali card on the table.

By stating its unequivocal opposition to another five-year term for the UN Secretary-General, the US has set the scene for a major clash over who is to lead the world body into the 21st century.

Washington's rejection will, in effect, lead to a contest of wills between the Western and industrialized countries and the developing nations.

It is understood that most African countries endorse Mr Butrus- Ghali's candidacy while the Arabs have appealed to the US to reverse its decision.

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Asian and European nations are staying out of the fray — for the moment, anyway.

Other countries have their own vested interests in the matter. Japan, for instance, wants Ms. Sadako Ogata, the UN High Commissioner for Refugees, for the job.

Mr Butrus-Ghali's days as UN chief may be numbered. The chances of the Egyptian's re-election are rated as slender because of the strong US opposition although, for the Americans, getting member countries to accept their choice for successor would be difficult. Traditionally, the UN chief serves two consecutive terms. He is selected through an opaque process which begins with a vote in the 15-seat Security Council and then confirmation by the 185-member General Assembly.

Among the council's five permanent members with veto power, France, Russia and China are believed to favor Mr Butrus-Ghali, while Britain has reportedly informed him that it may not support him.

While the US is entitled to make its own choice, its rejection of the incumbent should not have been conveyed in the crude, rude and graceless manner it was done.

In fact, American behavior has been downright disrespectful of the man. Regardless of whether you love or loathe him, he deserves treatment befitting his status and the office he holds. Was it necessary to make him lose face?

So, it is understandable that many countries, including Russia, expressed surprise and concern at the indecorous way in which Washington made its position known.

Mr Mike McCurry, the brash White House spokesman who has been rather curt and testy lately because of domestic political pressures on the Oval Office, said bluntly: "We think there are most likely other people in the world who would be more capable of pursuing the type of UN reform agenda that is needed."

Equally stinging was State Department spokesman Nicholas Burns, who said: "We would hope that Secretary-General Butrus-Ghali would come to see that our decision is irrevocable and we must turn our attention to identifying another candidate . . . Our minds will not be changed."

US rudeness extended to its press, which has never been fond of the UN chief or the organization he leads. The American CNN television network aired a one-hour special on the UN on Sunday without once mentioning Mr Butrus-Ghali's name or showing his face. The hostile comments by American officials, perfect soundbites for the media, are obviously tailored for domestic consumption as this is an election year.

President Bill Clinton is facing pressure from a Republican-run Congress that is highly critical of the UN, especially over the contribution of American funds to the organization and its tardiness in introducing reforms to streamline its administration.

Moreover, Mr Butrus-Ghali's frequent barbs against the US for its hefty arrears of US$1.5 billion (S$2.12 billion), the largest sum owed to the world body, have not endeared him to the American people.

But, instead of going about it in a blunderbuss way which can turn ugly by launching into personal attacks, the US ought to consider the more subtle and tactful approach adopted by Asean governments to resolve thorny issues.

This tried and tested approach, refined over years of Asean summits and high-level meetings, involves consensus and compromise — and plenty of quiet but focused diplomacy behind the scenes.

Away from the glare of publicity, there is no pressure to grandstand. Or being forced to take up hardline positions. All concerned parties also have more flexibility in the negotiating process that is conducted behind closed doors.

Mr Butrus-Ghali, for example, could be persuaded to accept a compromise solution of serving out half of a second term before retiring voluntarily.

In return, the US could cease its personal attacks on him as well as cough up the remainder of its arrears to oil the UN machinery which is creaking because of a shortage of funds.

Rather than go for a win-lose outcome, the chances are bright for a win-win resolution.

There is still time.

The choice of a new secretary-general does not have to be made until November.

The US should stop fantasizing about being a John Wayne-type sheriff riding into Dodge City to clean up the town.

It must abandon its bully-boy attitude. The international community expects the US, the world's only superpower, to demonstrate more maturity.

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Cambodia

Cambodia: Official Denies Ban on Sam Rangsi's Party

BK2806124696 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 28 Jun 96 pp 1, 4

[Report by Miss Thmar Da]

[FBIS Translated Text] The Government of Cambodia has denied that it has banned the formation of parties or the legitimate political activities of Sam Rangsi's Khmer Nation Party [KNP], as reported by some foreign newspapers.

In a message received by the REAKSMEI KAMPUCHEA on 26 June State Secretary Khieu Kanharit pointed out that many newspapers, particularly foreign ones, have reported extensively on the establishment and activities of the KNP, and have even said that it has been "banned" by the government.

Khieu Kanharit stressed: "We categorically deny that this party or its legitimate activities have been banned, because all Cambodians have the right to set up political parties and participate in political activities in the Kingdom of Cambodia."

However, he pointed that the government has not yet officially recognized new political parties such as Sam Rangsi's because of "insufficient new laws giving the authority to solve the problem along with other complex ones inside the KNP. [quotation marks as published]

The state secretary added that "this party was set up based on UNTAC [UN Transitional Authority in Cambodia] law. However, conflict within the party leadership led to the formation of a second KNP." It should be recalled that Nguon Soeu set up the second KNP in March after he was sacked in February. Since then, there are two KNP's.

Khieu Kanharit also pointed out that since the establishment of the coalition government and the dissolution of the Supreme National Council, there has been no competent authority to rule over UNTAC laws. Sam Rangsi had taken over a political party — a merger of the Liberal Reconciliation Party, registered under UNTAC law, and KNP — and "changed its name to KNP. This has further complicated the problem."

Khieu Kanharit said the problem does not concern only the KNP, and that other parties are waiting for an official framework to be formed before they select their partners.

He also admitted that political parties can be set up and activities held, but that these parties have to be registered when the new laws are passed, and have to operate under the law. He added that these parties have to inform the local authority before they hold meetings or open offices so that it could help provide security and supervision. He stressed that "this is very important as Cambodia does not enjoy complete peace and security yet, and that the people have require protection."

Set up in November 1995, Sam Rangsi's party split in March 1996 into two factions; one belonging to him, and the other to Nguon Soeu. Nguon Soeu recently said he will replace the KNP name with the "Cambodian Citizens Party." Nguon Soeu's statement has eased the legal complexity of the problem to some extent for Sam Rangsi.

A high-ranking Interior Ministry official has said that as long as the laws on political parties, election, and some other related laws have not been promulgated, the ministry will not be able to recognize any new party. He stressed that parties registered under UNTAC law and considered legal, and new parties that have been or will be set up, will have to register again after the new law is promulgated.

Cambodia: Hun Sen Discusses Party Policies

BK2806110196 Phnom Penh National Radio of Cambodia Network in Cambodian 0200 GMT 28 Jun 96

[Speech by Hun Sen, vice chairman of the Cambodian People's Party and second prime minister of the Royal Government of Cambodia, at a meeting to mark the party's 45th anniversary in Phnom Penh on 28 June — recorded]

[FBIS Translated Excerpt] (Passage omitted reviewing history and achievements of Cambodian People's Party)

Dear samdechs, clergy, and your excellencies: The true ability of the Cambodian People's Party [CPP] has already been tested through countless obstacles over the past nearly two decades. We have passed through the most difficult phases and are in the process of consolidating ourselves before scoring new victories. We should be proud because the people have given us confidence and extensive support. In the people's view, our party is the most appropriate one to be the people's party. This is a firm basis for continuing our party's mission.

For neary three years following the establishment of the Royal Government, our motherland has gradually developed. At present the situation is basically stable. Although some complex problems have recent cropped up with some negative influence on political stability, the CPP will strive to overcome and resolve these complex problems in order to continue preserving the

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stability of the situation and promoting the country's advance.

The Khmer Rouge rebels, encouraged by the recent events, continue to nurture their ambition to seize back power through every means. They and some of their allies will continue implementing perfidious maneuvers aimed at creating confusion and social instability to prevent international aid from being given to Cambodia and to hinder the Royal Government's advance. These groups share the same goal of opposing the CPP, which is the main pillar shouldering the situation. Various moves, in and outside the country, have been combined to eliminate the CPP's efficiency and push the country into a general political crisis aimed at achieving a political solution that runs against the spirit of the current Constitution.

However, this plan certainly will not succeed because of a lack of support from the support. Furthermore, the all-round development to improve the people's living standard is a hard and complex task requiring human resources, persistent efforts, and a lot of time.

In response to the requirements of the situation in the current phase and in the future, the CPP will continue to do everything it can by firmly adhering to the goal of consolidating peace to prevent the genocidal regime's return, defend the Constitution, and maintain political stability; and by preserving the normalcy of the Royal Government's work to develop the country.

In this spirit, we continue to implement a national reconciliation policy on the basis of thwarting all destructive and perfidious maneuvers of the genocidal group and all kinds of unfriendly forces. We will continue to have an alliance and good cooperation with various political parties and other political forces on the basis of the party's memorandum dated 26 March 1996.

We support the research into the crimes of the genocidal regime being conducted by the U.S. Documentation Center so as to bring the ringleaders of criminals to trial. At the same time, we appeal to officers and troops of the Khmer Rouge rebels and people under the pressure of hard-headed rebel ringleaders to strive to find all possible means of returning to the fold in accordance with the Royal Government's appeal. Compatriots will receive amnesty and have rights and benefits like other Cambodian citizens.

The CPP persistently continues the implementation of multiparty liberal democracy and respect for human rights in the Cambodian context; protection of the people's rights and freedom as stated in the law; protection of social justice; and opposition to any violations and abuse, the illegal use of force, and all kinds of corruption. It opposes all terrorism, sabotage, and criminal activities and other illegal activities in order to strengthen security and public order and law compliance.

The CPP supports and promotes the election of commune heads in 1997 and the election of people's representatives in 1998 as stipulated in the Constitution. We support a clear principle requiring that leaders holding positions as members of the Royal Government and as people's representatives have only Cambodian nationality.

We continue to vigorously advance the country's development by giving priorities to four sectors: agriculture, infrastructure, electricity, and human resources development. Rural development work will be intensified through agricultural development. Attention will be primarily paid to three sectors: waterworks, bridges and roads, and education.

All these are aimed at reducing and liberating the people from poverty so that they have a decent, dignified, and happy life. Further efforts will be made to improve the people's well-being and to alleviate the hardship of widows, disabled persons, orphans, and destitute persons. Attention will be paid to meeting the aspirations of intellectuals, to employment, and to the future of the youth.

The CPP continues to implement a foreign policy of peace, friendship, and cooperation with all countries regardless of their political regimes, first of all with neighboring countries.

We support Cambodia's participation as an ASEAN member to build the entire Southeast Asia region into a zone of peace, stability, cooperation, and progress.

We support the establishment of relations between the Kingdom of Cambodia and the Republic of Korea and peaceful solutions to all conflicts concerning relations among countries, particularly border problems with neighboring countries.

On this occasion I would like to appeal to all levels of party committees, officials, and party members to continue heightening their spirit to achieve the party's goals and ideals. Strive to maintain solidarity and internal unity. Pay attention to and strive to implement all tasks set by the party. Actively take part in implementing the Royal Government's political platform for peace, happiness, and honor of the people. Continue to exercise patience and maintain the stability of the situation and do not allow it to succumb to the tricks of unfriendly forces. Leading officials of the party at all levels should set examples, be competent in their work,

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be ethical, and do concrete work linking them to the people and the masses.

I would like to appeal to all political parties to put the interests of the nation and people above anything else and strive to sincerely increase cooperation with one another on the basis of democracy and national reconciliation. Only reconciliation under the Constitution can build a firm foundation that will achieve the aspiration of the people now and in the future. Please do not opt for a political decision that brings danger to the country.

The CPP would like to express the most profound gratitude to governments and people of various countries, international organizations, and nongovernmental organizations for their vast contributions to the Cambodian people for the cause of rebirth, peace, democracy, and progress in Cambodia. We will forever remember these great deeds and appeal to the international community to please continue providing assistance to our people to achieve success in rebuilding the country.

Finally, may everyone of you enjoy the five Buddhist blessings: longevity, social prestige, happiness, strength, and enlightenment. Thank you. [applause]

Cambodia: Khmer Rouge Army Denies Kidnapping Wood Cutters

BK2806051196 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 27 Jun 96

["Rejection by the National Army of Democratic Kampuchea of the Accusation by the Two-headed Government and the Alliance on the Kidnapping of Wood Cutters in Kampot Province"; dated 26 June, place not given — read by announcer]

[FBIS Translated Text] During the last few days some radio stations of the alliance, including VOA, through the voice of (?Kanharit), reported that the National Army of Democratic Kampuchea [NADK] has kidnapped and killed such and such numbers of persons.

Regarding these slanderous accusations, the NADK fully and categorically rejects them. The NADK would also like to underline the following truth:

1. The NADK is the the most resolute and lofty force loving the nation and the people of the Cambodian nation. It has genuinely contributed with the Cambodian people to the struggle against all types of enemies, particularly against communist Vietnam and its puppets, the alliance, and the two-headed government, who continue to fuel the communist Vietnam's war killing the Cambodian nation and people. In other words, the NADK struggles to liberate the nation and the people and to safeguard the Cambodian race. Communist Vietnam and its puppets, the alliance and the two-headed government, are the chief aggressors; they continue to fuel the war to kill the Cambodian nation and people to this day. They are war criminals trampling upon the right to self-determination of the Cambodian nation and people, rights and freedom, justice, human rights, and democracy.

It is this very destructive war that has caused the Cambodian people hardship and famine; they have lost land and cattle, and in particular have suffered because nearly 5 million ethnic Vietnamese are plundering and annexing Cambodia. The two-headed government in particular — especially Hun Sen, Chea Sim, Sar Kheng, and Tie Banh — is the big robber. These guys have sold land, state buildings, ?forest, and the property of the nation and people. Forest and timber in particular have been indiscriminately sold to unscrupulous businessmen. The forests in eastern and central Cambodia, in Kompong Speu, Kampot, and Koh Kong have all been destroyed. The forests have been sold by civilian officials, Sar Kheng's police, and Tie Banh's soldiers. Nothing is left; everything has been sold to unscrupulous businessmen. Millions of dollars have been pocketed. And this has angered the people everywhere.

People in Kampot Province, like those in other places, have worked with the NADK to smash the bandits who are plundering the Cambodian nation and people, the civilian officials, the troops, and Sar Kheng's police, to safeguard Cambodia's natural resources.

2. Therefore, these accusations, claiming that the people are wood cutters, are made up. Do the people have the equipment, trucks, and tractors to do this job? The officials, troops, police, the men of Sar Kheng, Tie Banh, Hun Sen, and Chea Sim are the ones who destroy Cambodia's forest.

3. People in Kampot have asked whether the kidnapping of people to get ransom money and the killings really go on. Sar Kheng made all these stories up to cover up the plundering of the Cambodian nation and people. Frequent quarrels over unequal sharing of money have taken place in those areas; this also happens in Kampot.

As for the people and the NADK, they are determined to fight and smash these bandits who are plundering, selling off the nation, and destroying the forests. This is in order to safeguard the natural resources.

27 June 1996

The NADK

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Thailand

Thailand: Commerce Minister on Issues for Talk With Kantor

BK2806032996 Bangkok THE NATION in English 28 Jun 96 p B2

[Report by Nitsara Sihanam]

[FBIS Transcribed Text] Commerce Minister Chuchip Hansawat will ask U.S. Commerce Secretary Mickey Kantor to restore the Generalised System of Preferences [GSP] tax concessions to Thai exports and allow imports of Thai wild-harvested shrimp after the product was banned due to the concerns of U.S. environmental groups.

The source said that Chuchip is prepared to raise the issues with Kantor at a meeting today.

Kantor has come to Thailand to promote bilateral trade and investment with Thailand during his three-stop visit to East Asia.

A source said that the first important issue Chuchip will raise is the U.S. decision to ban imports of Thai wild-harvested shrimp as local trawlers failed to prove that they use turtle-proof fishing nets. Thai exporters said it is difficult to prove themselves under the new U.S. regulations.

Chuchip will therefore ask Kantor to cancel the regulations, reasoning that Thailand also has a turtle conservation law which can confirm that endangered turtle species will not to be caught in Thai waters.

Moreover, the Commerce Ministry will raise the GSP problem with Kantor in order to ask the U.S. to restore the privileges to Thai products. The U.S. revoked GSP tax concessions on 16 items but later promised to return the concessions to only 15 items on July 31, 1995.

However, the U.S. has so far restored GSP concessions to only 11 items, so Thailand will ask it to accelerate the return of GSP privileges to the remainder.

Thailand will cite its efficient intellectual property right protection in support of the request. The U.S. revoked GSP tax concessions due to concerns of inadequate protection of intellectual property rights.

In addition, Thailand will ask the U.S. to expand the time period for the GSP's second project, which is currently fixed at one year and 11 months. The commerce minister will ask the U.S. to extend the GSP timeframe to 4-10 years to enable Thai exporters to be assured access.

Chuchip will also raise the issue of the rule of origin during the meeting with his U.S. counterpart. Thailand will ask the U.S. to grant a textile quota to compensate for revenue lost as a result of the introduction of the new U.S. rules of origin.

Moreover, the Commerce Ministry will discuss export problems and obstacles in the U.S. market for various products. Thailand will ask the U.S. to open its market to Thai chicken as it has banned imports due to newcastle disease.

In addition, Thailand will ask the U.S. to decrease its strict measures for investigating the quality of canned tuna to give Thai products an opportunity. Thailand also will raise its concerns over the anti-dumping charges laid in the canned pineapple case.

The source expected that Kantor might raise intellectual property and insurance issues with Thailand. The U.S. is likely to urge Thailand to give priority to intellectual property rights.

Thailand: U.S. Investment in Spotlight at Talks With Kantor

BK2806031896 Bangkok BANGKOK POST in English 28 Jun 96 p 19

[Unattributed report]

[FBIS Transcribed Text] Increased American investment in Thailand's vehicle and electronics industries will be discussed today by Industry Minister Chaiwat Sinsuwong and U.S. Commerce Secretary Mickey Kantor.

The vehicle industry is among those targeted for top promotional incentives in the next several years, Mr Chaiwat said yesterday.

Thailand has offered full support for American vehicle makers, he said, noting General Motors would establish its regional production base in the country turning into a major world centre for the automotive industry.

Mr Chaiwat said his ministry had called a meeting between its top officials and industrialists today to prepare for the meeting with Mr Kantor.

He denied claims from some businessmen that the government had given GM too many incentives, insisting it has been fair to GM and other vehicle makers.

The minister said he supported GM's plans for a university in Thailand that would be funded by the Thai Government and the company.

GM believes the university would provide its factory in Thailand with workers skilled in automotive and electronic technology.

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Thailand: Tourism Boom in PRC's Yunnan Province Explored

BK2806080696 Bangkok THE NATION in English 28 Jun 96 p A10

[Article by David Dalton]

[FBIS Transcribed Text] The Chinese province of Yunnan, home to 39 million people, is not known as one of the country's top tourist destinations. While tourism to other parts of China — the Great Wall, Shanghai and the picturesque southern town of Guilin — continues to grow so fast it outstrips economic growth, Yunnan has remained a relatively sleepy backwater.

But not any more. Tourism chiefs in Yunnan have thrown their weight behind a campaign to make the county part of "the Mekong," an area being promoted by a loose coalition of tourism bodies from countries that border the famous river.

The coalition, which includes representatives from Yunnan, Thailand, Vietnam Laos and Cambodia, aims to make the Mekong the tocal point for tourists who are tired of traditional sights and want something new. The coalition is new, but has already secured funding from American Express.

Yunnan has a long way to go before it ranks along side the Great Wall as an attraction. The county has only five main tourist sights — among them the Stone Forest and its capital city, Kunming — but is already marketing them with such vigour that tourist arrivals are up, from 400,000 two years ago to 600,000 in 1995. Many of those arrivals were what China calls "compatriots" (ethnic Chinese from Hong Kong, Macau, and Taiwan), but the next biggest group, 110,000, was from Thailand.

The idea for coalitions in tourism is not new and The Mekong initiative is still in its early days. It was inspired by efforts in Hong Kong — consistently one of Asia's top five tourist destinations — to group itself with cities in southern China and market the area as an all-in-one "best of China" package.

Amy Chan, director of the Hong Kong Tourism Association, says coalitions are the obvious way for the tourism industry to capitalize on changing travel habits.

"Tr?vellers want to see more than one city, or one attraction. If you get two weeks a year to travel, why spend it all in one place? My idea is that people can use Hong Kong as a gateway to other destinations in the Pearl River Delta — Guangzhou and Guilin, for example."

The Mekong coalition is banking on grabbing tourists who would otherwise have gone to more traditional Chinese destinations. The number of visitors to Yunnan from other Asian countries, particularly Thailand, Singapore and Malaysia, has been increasing, and foreign investors are beginning to sit up and take notice.

Among the most ambitious plans to cash in on The Mekong boom are those by Club Med, which is said to be on the verge of investing in a 200-hectare holiday resort on the shores of Yangzhou Hai Lake 36 kilometres from Kunming.

The success of any foreign investment will depend on air links. These have improved, with six international airlines — including Thai International and Hong Kong's Dragonair — flying to Kunming.

Another indication that Yunnan means business is its own airline, Yunnan Airlines, which was only established in 1992 but now operates seven Boeing 737s and carries two million passengers a year, making it China's seventh-biggest carrier. Yunnan airport is the third fastest-growing airport in China, handling 2.4 million passengers in 1994.

Yunnan's success, however minor, in tapping new tourism markets, is reflected throughout China. The country's other emerging tourism destinations are expected to boom, said a Western tourism consultant based in Hong Kong.

"Tour operators are going to shorten stays in big cities and look for something differently," said Steve Kleinschmidt, vice-president of PKF Consulting. But Kleinshmidt warned that mistakes had been made in China and must not be made again. "In cities like Guangzhou, the authorities built too many hotels and are now finding it difficult to fill them. They must be more prudent in their approval of new hotels."

China's tourism boom is not purely down to visitors from abroad. The country's own nouveau riches, for whom leisure travel only became a possibility in the 1980s, made 629 million trips within China in 1995, generating 165 billion yuan (Bt501.6 billion) in revenues.

Sun Gang, vice-chairman of China's National Tourism Administration, said Chinese people were growing richer and, for the first time ever, were using their weekends to go sightseeing. On the international front, he said by the year 2000, China hoped to attract 54.7 million overseas visitors, earning up to U.S. $14 billion (Bt350 billion) a year.

There is a downside to all this. China is finding that increased travel does not come without a price.

A recent report published in Hong Kong claims the congestion and pollution have become a problem at popular

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tourist sights in Beijing, Shanghai and Hangzhou, the city Marco Polo called the most beautiful in the world. And the seaside resorts of Qingdao, Yantia and Qinhuangdao also suffer peak-season overcrowding.

Vietnam

SRV: Party Official Holds News Conference on National Congress

BK2706141896 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Jun 96

[Station correspondent's report on a news conference held in Hanoi on the morning of 27 June to announce the Eighth National Party Congress's agenda; portions recorded]

[FBIS Translated Excerpt] [Passage omitted on party congress agenda] On behalf of the Eighth Party Congress Organizing Committee, Comrade Hong Ha answered many questions raised by Vietnamese and foreign journalists concerning a number of issues relating to the Eighth Party Congress.

In response to a question raised by a Ho Chi Minh City-based TUOI TRE correspondent concerning the policy of great national unity, Comrade Hong Ha said:

[Begin Hong Ha recording] Based on the views of broad sections of the population, the policy of great national unity has been defined more clearly this time and contains separate parts to be applied to each section of the population. Furthermore, it has been said emphatically in the revised document that the eighth congress is a congress of continued renovation along the socialist path. [end recording]

In response to a question posed by a correspondent of Thailand's BANGKOK POST as to whether party members are allowed to engage in private capitalist economic activities as raised in the revised draft Party Statute, Comrade Hong Ha said:

[Begin Hong Ha recording] It is confirmed in the revised Party Statute that party members may not engage in private capitalist economic activities or resort to exploitation. [end recording]

In response to a question raised by a correspondent of the British paper INDEPENDENT concerning pluralism and a multi-party system, Comrade Hong Ha emphatically said:

[Begin Hong Ha recording] Although the document mentions the issue of implementing democratization, it categorically rejects pluralism and a multi-party system. [end recording]

In reply to a question raised by a BBC correspondent concerning the evaluation of the role of more than 2 million overseas Vietnamese by the Eighth National Congress of the Communist Party of Vietnam [CPV], Comrade Hong Ha said:

[Begin Hong Ha recording] Our party has received many views on the draft political report from overseas Vietnamese. Many of these views praised the party for its leadership and wished the nation stability and progress and the people a bountiful and happy life. Others suggested orientations and ways of boosting Vietnam's economy. Our party has given serious consideration to all these views. The party congress documents highly value the important role of millions of overseas Vietnamese. A whole section has been added to the part dealing with the need to broaden the great national unity bloc to further clarify the policy toward overseas Vietnamese. [end recording]

In response to a question raised by a correspondent of Japan's (?AKAHATA) paper as to whether the CPV's eighth congress will discuss the issue of hunger elimination and poverty reduction, Comrade Hong Ha said:

[Begin Hong Ha recording] Our party also attaches great importance to the building of an equitable society. This is an extremely difficult task, but our party is determined to do all it can to achieve this goal, namely building an equitable society step by step and eliminating hunger and reducing poverty. Many parts of the political report deal with the building of an equitable society through the implementation of specific tasks and major measures. [end recording]

Comrade Hong Ha spent nearly an hour answering many questions raised by Vietnamese and foreign journalists concerning various issues of common concern for public opinion regarding the CPV's eighth congress. In his capacity as head of the Eighth Party Congress Organizing Committee, Comrade Hong Ha said: We warmly welcome journalists here to monitor, report, and comment on the CPV's eighth congress. This is an opportunity for our friends all over the world to better understand the renovation process in our country and increase their support and assistance for us, thus helping our people satisfactorily fulfill the socioeconomic development tasks that the Eighth Party Congress will set forth for the 1996-2020 period.

SRV: NHAN DAN Welcomes Party Congress Opening

BK2806023296 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Jun 96

[28 June NHAN DAN editorial: "Stepping Up the Process of Industrialization and Modernization To

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Achieve the Goals of a Prosperous People, a Powerful Country, and an Equitable and Civilized Society"]

[FBIS Translated Text] Today, our entire party, people, and army look toward Hanoi, the venue of an important political event — the Eighth National Congress of the Communist Party of Vietnam [CPV].

We warmly welcome the outstanding delegates of the Glorious Party founded, led, and trained by President Ho Chi Minh. You, comrades, bring with you to the national party congress the will and aspirations, unity strength and intelligence of nearly 2,130,000 party members and over 75 million Vietnamese people.

The working class, the laboring people, and the entire Vietnamese population feel proud of their staunch and revolution-hardened Glorious Party which led our people through the 66 year-odd crusade. It has scored countless glorious achievements and has led our nation out of slavery and misery to become the master of itself and to stand in the ranks of pioneering nations struggling for those noble ideals of mankind.

The Vietnamese working class, the laboring people, and population are proud of President Ho Chi Minh, a talented leader and a great master of our party and people. He epitomized the quintessence of the Vietnamese people and made our country famous. With joy and emotion, we report to him that the revolutionary line that began in the early years of the century has been taken up and followed forever by various generations of Vietnamese communists and people.

Amid the jubilant festival of the party and people, with deep gratitude and profound love, we emotionally remember those heroes, fallen combatants, comrades-in-arms, and compatriots who have sacrificed their lives for the independence and freedom of the fatherland and the happiness of the people, for today's fruitful achievements, and for today's generations.

Every congress of our party is an event, a milestone, and a turning point in the course of advancing the Vietnamese revolution. The eighth national party congress is tasked with reviewing the implementation of the resolutions of the seventh party congress; recapitulating activities of the renovation process over the past 10 years; setting forth goals, directions, and approaches to carry out national industrialization and modernization until the year 2000, as well as the orientations until the year 2020; supplementing and amending the Party Statute; electing a new party Central Committee to be comprised of those comrades with solid political acumen and with good qualities and abilities commensurate with the revolutionary tasks in the new stage.

The contents of documents to be presented at this eighth party congress have been positively, urgently, and painstakingly prepared by the party Central Committee's Political Bureau to mobilize the collective wisdom of various party committee echelons, party organizations, experts, scientists, administrators, and revolutionary veterans.

The draft political report has been discussed at various party central committee's plenums, and has been supplemented, perfected, and published in the mass media to solicit views from compatriots and comrades-in-arms nationwide, as well as from overseas Vietnamese nationals. All views contributed are sincere and compelling, reflective of the will, aspirations, and determination of our entire people to unite around the CPV to jointly discuss national affairs. It can be said that all documents to be presented at the eighth party congress contain the heartfelt wisdom and confidence of the entire party and people.

The great responsibility and desire of the entire party, people, and army entrusted to the delegates to the congress are that they continue to join forces, minds, and hearts in correctly and scientifically analyzing the national situation to find a course of action and an invincible path for our revolution in the new stage.

Implementing the renovation policy initiated and headed by the party, and developing the tradition of unity, staunch struggle, and creative labor, our people have, over the past 10 years, scored numerous great achievements of paramount importance. In particular, the tasks set forth by the seventh party congress for the five-year 1991-95 period have been basically fulfilled. These fruitful achievements have brought many changes to our country. Our country's strength and stature have shown drastic changes. Although our country has escaped a serious, 15 year-odd socioeconomic crisis, a number of aspects [of the socioeconomic situation] are still not steady. The task set for the initial stage of the transition period which was to prepare preconditions for industrialization has basically been completed, thus making it possible to shift to a new stage, that is, to step up national industrialization and modernization.

The path toward socialism in our country has become increasingly defined. This has been affirmed based on a general assessment. The drawing up and implementation of the renovation policy by our party over the years has basically been correct and in line with socialist orientations.

The renovation process carried out over the past 10 years has taught the Vietnamese revolution many valuable lessons, not only useful in the present but also in the future. Firmly adhering to and creatively applying

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these lessons amounts to ensuring the success of our national development process in the new stage.

At present, the international and regional situation is having a profound impact on various aspects of our country's social life, thus ushering in new opportunities and also great challenges. Our people are facing great opportunities and challenges in the period ahead. Great opportunities will be created mainly through the many achievements of the renovation process and national construction and defense, as well as through the impact of many positive trends in the world. Great challenges will arise from four dangers — the danger of lagging far behind other countries in the region; the danger of straying from the socialist path; the danger of bureaucracy and corruption; and the danger of peaceful evolution. These dangers are interrelated and equally grave, and we should not belittle any of them. Advantages and difficulties, opportunities and dangers are intertwined.

With the communists maturing at a time when the country is at a historic turning point, we must seize opportunities and must always develop ourselves quickly and steadily to create new strength and stature. Meanwhile, we must be constantly alert and determined to change our life and overcome various dangers to firmly maintain national independence and continue to upgrade the renovation process to a new height to achieve the goals of a prosperous people, a powerful country, and an equitable and civilized society in the steady advance toward socialism.

Industrialization and modernization are vital issues that decide the destiny and future of the country as it enters the 21st century. The target of industrialization and modernization through the years 2000 and 2020 is to strive to make our country an industrialized nation with modern material and technical bases, a rational economic structure, advanced production relations suitable to the growth of the production force, high living and spiritual standards, and a strong national defense and security.

We are embarking on a new stage with many profound, large-scale changes and with an ever-higher pace of development. The historic mandate shouldered by our party is very heavy. The party leadership is the decisive factor in creating new fruitful achievements in the renovation process as it will decide the course of our nation's advancement. We must strengthen party building to ensure that our party is strong politically, ideologically, and organizationally, and that its worker character is maintained and revamped.

The ideological foundation of the party is Marxism-Leninism and Ho Chi Minh thought, and the organizational principle of the party is democratic centralism, collective leadership, and individual responsibility. The basic task of party development and progress is to conduct regular criticism and self criticism. Building the party up to the level required by its duties and making the party stronger are key tasks, especially at a time when the country is shifting to a new stage of development.

Proud of the party and Uncle Ho and of the heroic Vietnamese people, our entire party, army, and people, including the overseas Vietnamese, will unite as one to develop the glorious tradition of the nation and the intelligence and abilities of the Vietnamese people, uphold the determination to achieve independence and sovereignty and self reliance and self support, broaden relations with friends throughout the five continents and four oceans, firmly seize opportunities, repulse dangers and challengers, overcome challenges, successfully carry out the lines of the eighth party congress, bring the renovation process to a new height, step up industrialization and modernization to achieve the goals of a prosperous people, a powerful country, and an equitable and civilized society in accordance with socialist orientations.

SRV: 'Task' of Eighth National CPV Congress Reported

BK2706083396 Hanoi VNA in English 0745 GMT 27 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 27 — The Eighth National Congress of the Communist Party of Vietnam (CPV), a congress of continued renovation along the socialist path, will open in Hanoi tomorrow and last till July 1, 1996.

This was officially announced by Mr Hong Ha, secretary of the party central committee and head of the organizing committee for the congress, at a press conference here this morning.

"The congress has the task of reviewing the results of the 5 years' implementation of the resolution of the VIIth congress, summing up the 10 years of renewal, setting forth the objectives, orientations and tasks of the whole party and people in the new period with national industrialisation and modernisation being the central task," Hong Ha said.

"The congress will discuss and adopt some important documents: the political report, the orientations and tasks of the 1996-2000 socio-economic development plan, the report on amendment and revision of the party statutes, the amended and revised party statutes and the resolution of the congress.

The party has received millions of ideas, with a rich variety of content, contributed by all party members

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and the whole people and has amended and improved documents for submission to the congress due to open tomorrow.

The congress will elect the Party Central Committee (VIIth tenure).

Attending the congress are 1,198 delegates including 158 members of the Central Committee (VIIth tenure) the remaining number of delegates were elected democratically through congresses of different levels representating more than 2 million party members.

710 of them are delegates who attend a national congress of representatives for the first time (making up 59.1 percent of the total number of delegates). The youngest delegate is a 28 year-old party member from the Muong ethnic minority belonging to the Hoa Binh Provincial Party Organisation.

153 delegates are women (12.6 percent).

154 delegates are members of ethnic minorities (12.8 percent).
158 delegates from the armed forces.
29 delegates are heroes of the armed forces and labour heroes (2.3 percent).
13 delegates have emeritus and people's teachers, artists, doctors.
998 delegates have scientific, technical and professional educational qualifications from the college and university level upward.

Attending the congress are also 64 guests who are revolutionary veterans, representatives of different stratas of people, personalities, intellectuals, writers, artists and three Vietnamese hero-mothers.

There are nearly 40 foreign delegations, among them the delegation of the Communist Party of China led by Comrade Li Peng, member of the political bureau standing board and prime minister of the People's Republic of China, the delegation of the People's Revolutionary Party of Laos led by Comrade Khamtay Siphandon, chairman of the party and prime minister of the Government of the Lao People's Democratic Republic, the delegation of the Cambodian People's Party led by H.E. Samdech Chea Sim, president of the party and chairman of the National Assembly of the Kingdom of Cambodia, the delegations of the Cuban Communist Party, the Korean Workers' Party, the Communist Parties of France, Japan, the U.S.A., Germany, Italy, some ruling parties such as FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] (Cambodia), UMNO [United Malay National Organization] (Malaysia), the People's Action Party (Singapore), the Syrian Baath Party, the Baath Party of Iraq, several other parties in Asia, the Middle East, Africa, Latin America, etc. Mr Hong Ha stressed that it is the first time that a congress of the Communist Party of Vietnam will be attended by a number of ruling non-communist parties. This reflects Vietnam's foreign policy of openness, multilateralization and diversification initiated by the Communist Party of Vietnam.

The ambassadors and charge d'affairs, representatives of international organisations, and non-governmental organisations in Vietnam will attend the opening and closing sessions of the congress.

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